

ENSURING YOUTH EMPLOYMENT AND ADDRESSING THE PROBLEM OF UNEMPLOYMENT

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Annotation

General Information: Ensuring youth employment and solving the problem of unemployment is one of the most pressing global issues. Among the working-age population, the unemployment rate is particularly high among young people, which affects the socio-economic stability of society. Unemployment not only leads to economic challenges but also causes negative emotions among youth, social instability, and issues such as migration. Therefore, comprehensive measures are being implemented by both the public and private sectors to provide employment for youth, support their professional development, and encourage entrepreneurial activities.

Specific Information: Various programs have been adopted in our country to increase youth employment. In particular, the state program "Youth – Our Future," the project "Every Family is an Entrepreneur," grants and subsidies aimed at developing handicrafts, loans for startups, and programs to support entrepreneurship are key initiatives aimed at youth employment. Recommendations from international organizations such as the World Bank, the International Labour Organization (ILO), and the United Nations Development Programme (UNDP) are also being considered in ensuring youth employment.

Research Gap: Despite the many efforts to prevent youth unemployment, some challenges still remain. For instance, many young graduates of higher education institutions are not in demand in the labor market due to a lack of practical experience. Limited employment opportunities in rural areas and difficulties in obtaining credit are among the main factors contributing to youth unemployment. Furthermore, the mismatch between the demand for modern professions and the current education system, lack of information in the labor market, and underutilization of the entrepreneurial potential of youth are among the shortcomings in this area.

Objective: *The main goal of this research is to explore effective ways to ensure youth employment and to propose innovative approaches as solutions to the problem of unemployment. Additionally, strengthening the cooperation between the public and private sectors, improving vocational education for youth, and expanding opportunities in the digital economy and online work are also among the key objectives of this study.*

Findings: *Based on the research, the following key conclusions are drawn: 1. It is necessary to develop vocational education based on the real needs of the labor market. 2. The system of tax incentives and financial support should be expanded to encourage youth entrepreneurship. 3. Youth employment can be increased through the implementation of innovative technologies and remote work opportunities. 4. Cooperation between educational institutions and employers should be strengthened to enhance the professional skills of young people. 5. It is essential to develop industrial and service sectors in rural areas to create additional job opportunities for youth.*

Novelty: *This research proposes an innovative approach to the issue of youth unemployment. In particular, it emphasizes the role of digital platforms, remote work formats, and the development of the startup ecosystem in providing employment for youth. Furthermore, new methodological approaches are suggested to help young people adapt to the labor market based on advanced international experiences.*

Keywords: *youth employment, unemployment problem, innovative employment approaches, socio-economic development, startup ecosystem, loans and subsidies, professional qualifications and experience.*

Introduction

The labor market is a vital component of any national economy, and its stable functioning is directly linked to a country's economic development and social well-being. The employment of youth — considered the most active segment of the population — plays a crucial role in this process. Effectively utilizing the youth workforce in the national economy helps expand production, increase household incomes, and address major issues such as inflation and unemployment. This is because young people are the ones who continuously replenish and renew the labor market. By providing them with employment opportunities, a significant portion of the unemployment problem can be addressed. However, in recent years, youth

unemployment has become a global issue. According to data from the World Bank and the International Labour Organization (ILO), the global youth unemployment rate in 2023 averaged 14.9%. In developed countries, this figure is around 8–10%, while in developing countries, it remains at 20% or even higher. The share of youth in Uzbekistan's population is very high. As a result, youth unemployment is also a pressing issue in the Republic of Uzbekistan, with the unemployment rate among young people exceeding the overall national unemployment rate. According to official statistics, more than 60% of the country's population is under the age of 30. This means that, on average, 600,000 to 700,000 young specialists and workers enter the labor market each year. In such circumstances, if the labor market is not effectively managed, the youth unemployment rate may continue to rise.

According to data from the Statistics Agency of the Republic of Uzbekistan at the beginning of 2024, the youth unemployment rate stood at 7.8%, indicating that the economy still faces certain challenges in fully employing young professionals. The situation is particularly acute in rural areas, where limited employment opportunities have pushed youth unemployment to as high as 10–12%.

Like many other countries, Uzbekistan also faces several persistent issues related to youth unemployment. These include:

- **Mismatch between the vocational/higher education system and the labor market:** According to a 2023 study by the Uzbekistan Labor Market Analysis Center, more than 40% of graduates are unable to find work in their field of study because their skills do not meet the actual demands of the labor market.
- **Regional disparities:** While employment rates are relatively high in major cities like Tashkent, Samarkand, and Fergana, job opportunities in rural areas remain very limited.
- **Economic challenges and lack of financial resources:** Although many young people wish to start their own businesses, access to credit remains restricted.
- **Understudied impact of the digital economy and technological advancement on youth employment:** Despite the growing availability of online work opportunities, many young people still lack the necessary knowledge and skills in this area.

Therefore, in order to increase the economic activity of youth in Uzbekistan, the following key programs and projects are being implemented:

- **"Youth – Our Future" Program** – aimed at increasing employment by providing financial support to young entrepreneurs through loans and grants.

- **"Every Family is an Entrepreneur" Project** – helps engage young people in entrepreneurship and supports the development of small businesses.
- **"Craft Development Program"** – promotes vocational training and handicrafts to provide employment opportunities for youth.
- **Development of technoparks and the startup ecosystem** – focuses on guiding youth toward modern professions and fostering innovative entrepreneurship among young people.

In 2024, several concrete measures were also implemented in this area. For example:

- 113,000 young people were enrolled in short-term vocational and entrepreneurship training courses.
- 750 billion UZS in preferential loans and subsidies were allocated to support youth entrepreneurship.
- Over 5,000 young entrepreneurs received financial support in the form of grants under the **"Youth Startup Projects"** program.

In addition, several new decisions and laws were adopted, including:

1. **Resolution No. PQ-4797 (June 24, 2024)** – “On Measures to Ensure Youth Employment.”
2. **Decree No. PF-6041 (August 13, 2024)** – “On Comprehensive Measures to Support Youth Entrepreneurship and Reduce Unemployment.”
3. **Revised Labor Code (2024)** – includes additional guarantees for creating favorable working conditions for young employees.

Moreover, international organizations are also collaborating with the government of Uzbekistan to implement various projects aimed at increasing youth employment. In particular, the **United Nations Development Programme (UNDP)**, the **International Labour Organization (ILO)**, and the **World Bank** are conducting research and developing recommendations to support youth employment in Uzbekistan.

Conclusion: In 2024, significant progress was made in Uzbekistan toward increasing youth employment and reducing unemployment. Government-led programs, the development of vocational education, and job creation in collaboration with the private sector have all contributed to helping young people find their place in the labor market. In addition, newly adopted laws have focused on regulating labor relations, supporting young entrepreneurs, and simplifying

employment procedures—reforms that are expected to further improve employment rates.

As a result of these efforts, not only is the unemployment rate decreasing, but the economic activity of young people is also increasing. Moving forward, it remains a crucial task to continue developing reforms in this direction, apply innovative approaches, and create even broader opportunities for the youth.

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