

UZBEKISTAN: ACTIVE LABOUR MARKET MEASURES FOR YOUTH

Working paper

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1 INTRODUCTION

Uzbekistan’s economy is one of the most dynamically developing in Central Asia. Economic reforms have accelerated since 2017, when the government adopted a five-year development programme – the Action Strategy for 2017–2021, followed by the Development Strategy of New Uzbekistan for 2022–2026. In 2023, Uzbekistan adopted the National Development Strategy until 2030 (“Uzbekistan–2030”).¹ Among its objectives is achieving upper-middle-income country status by the end of this decade.

According to the National Committee of the Republic of Uzbekistan on Statistics, as of the first half of 2025, Uzbekistan’s economy demonstrated resilience and growth despite global challenges and macroeconomic uncertainty. According to preliminary results for the first nine months of 2025, the country’s gross domestic product (GDP) exceeded UZS 1,303.7 trillion (USD 108.7 billion) and, compared with the corresponding period of 2024, increased by 7.6% in real terms. This represents the highest growth rate since 2021, when the economy was recovering from the COVID-19 pandemic.²

Figure 1. GDP volume and growth rate



Source: National Committee of the Republic of Uzbekistan on Statistics, <https://stat.uz/ru#>

As of September 2025, compared with the corresponding period of 2024, the share of services in the sectoral structure of GDP (gross value added, GVA) increased from 48.1% to 49.4%, industry from 25.9% to 26.1%, and construction from 7.4% to 7.5%, while the share of agriculture, forestry and fisheries declined from 18.6% to 17.0%. GDP per capita reached UZS 34,483.9 thousand, which represents a real increase of 5.6% compared with the corresponding period of 2024. The volume of the non-observed economy amounted to UZS 433.67 trillion (USD 36.17 billion), or 33.3% of GDP, exceeding the level recorded in the first half of the year (32.9%). Of this, the informal sector accounted for 25.6% and the shadow economy for 7.7% of GDP.³

¹ Decree of the President of the Republic of Uzbekistan No. UP-158 of 11 September 2023 “On the Uzbekistan – 2030 Strategy” <https://lex.uz/docs/6600404>

² National Committee of the Republic of Uzbekistan on Statistics. Press Release. https://stat.uz/img/press-relizlar/analitika-vvp_rus_p48024.pdf

³ National Committee of the Republic of Uzbekistan on Statistics. Press Release. https://stat.uz/img/press-relizlar/analitika-vvp_rus_p48024.pdf

Table 1. Uzbekistan in figures (as of January–September 2025)

UZBEKISTAN IN FIGURES (as of January – September 2025)				
GROSS DOMESTIC PRODUCT (GDP) 107.6 % compared to January – September 2024	INDUSTRY 106.8 % compared to January – September 2024	AGRICULTURE, FORESTRY AND FISHERIES 104.1 % compared to January – September 2024	INVESTMENT IN FIXED CAPITAL 115.2 % compared to January – September 2024	CONSTRUCTION WORKS 114.2 % compared to January – September 2024
FREIGHT TURNOVER 101.6 % compared to January – September 2024	PASSENGER TURNOVER 105.9 % compared to January – September 2024	RETAIL TRADE TURNOVER 111.0 % compared to January – September 2024	SERVICES 114.0 % compared to January – September 2024	PERMANENT POPULATION 38,069,116 As of October 1, 2025

Source: National Committee of the Republic of Uzbekistan on Statistics, <https://stat.uz/ru#>

The economic outlook for Uzbekistan remains stable, as the government continues its transition towards a market-oriented economy, improving resource efficiency and creating a more competitive and transparent business environment driven by private sector growth. According to estimates by the International Monetary Fund (IMF), Uzbekistan’s GDP growth is projected to reach approximately 6% in 2026 and 5.7% in 2027.⁴

Nevertheless, for Uzbekistan, with a population of 38 million, of whom 9,630,556 (25.7%) are young people⁵, one of the key challenges that remains on the policy agenda is the high level of youth unemployment, particularly in rural regions and among women (see below). Job creation rates have remained low over the past five years – averaging only 1.1% annually, while average annual population growth over the same period was approximately 2%. According to projections, the net annual increase in the working-age population amounts to around 250,000 people, which requires accelerated employment growth.⁶

According to modelled estimates by the International Labour Organization (ILO), Uzbekistan’s labour market has shown gradual improvement in recent years. The overall labour force participation rate increased from 55.5% in 2020 to 57.5% in 2025, reflecting expanded labour market participation. Female participation also increased, from 39.1% to 41.2% over the same period, while the labour force participation rate among youth aged 15–24 rose from 35.6% to 37.5%. At the same time, unemployment declined across all major population groups: the overall unemployment rate decreased from 5.3% in 2020 to 4.6% in 2025, unemployment among women from 7.7% to 6.6%, and among youth aged 15–24 from 12.8% to 11.4%.⁷

Labour migration continues to play a significant role in Uzbekistan’s economy. According to the World Bank, remittance inflows remain substantial, increasing from 10.7% of GDP in 2020 to 14.4% in 2024, highlighting the importance of income earned by Uzbek migrants abroad for household welfare and macroeconomic stability. At the same time, the country continues to record negative net migration, although its scale has slightly decreased: net migration improved from –9,208 persons in 2020 to –7,066 in 2024. These trends demonstrate continued reliance on external labour markets alongside gradual changes in migration dynamics.⁸ According to the Agency for External Labour Migration (AELM), as of 1 September 2023, approximately 2,118,000 citizens of Uzbekistan were employed abroad, of whom 33.2% (702,900 persons) were young people.⁹

⁴ International Monetary Fund. *Real GDP growth, Annual percent change*.

https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/UZB?zoom=UZB&highlight=UZB

⁵ National Committee of the Republic of Uzbekistan on Statistics. *How many young people are there in Uzbekistan?*

<https://stat.uz/ru/press-tsentr/novosti-goskomstata/63006-o-zbekistonda-yoshlar-soni-qancha-2>

⁶ World Bank Group in Uzbekistan

⁷ International Labour Organisation. <https://ilostat.ilo.org/data/>

⁸ World Development Indicators | DataBank

⁹ International Organization for Migration (2024). *Uzbekistan – Migration data gap analysis*.

https://uzbekistan.iom.int/sites/g/files/tmzbdl2566/files/documents/2025-01/mtm-data-mapping_uzbekistan_final_04-11-24_2.pdf

The government is taking active steps to improve employment policies, including implementing vocational training programmes, promoting entrepreneurship and modernising employment services. Reforms in the education sector also play an important role, aiming to develop skills relevant to the modern labour market, including digital and entrepreneurial competences.

Based on the labour market situation, this report provides an overview of the youth labour market, institutional and governance structures, and active labour market measures with a focus on youth needs, as well as an assessment of the effectiveness of these measures, an analysis of challenges and gaps, and recommendations for the development of youth employment policies. The report was prepared within the framework of the European Training Foundation (ETF) DARYA project and is primarily based on desk research.

2 OVERVIEW OF THE YOUTH LABOUR MARKET

According to Article 3 of the Law of the Republic of Uzbekistan “On State Youth Policy” of 12 August 2016, young people are defined as citizens aged 14 to 30.¹⁰ This definition is applied across all official programmes, including labour market measures, ensuring a focus on the age group at the early stages of working life.

As of 1 January 2025, the youth population (aged 14–30) in the republic amounted to 9,630,556 persons, representing 25.7% of the total population. Despite positive economic developments, in 2024 the country recorded 342,000 unemployed young people. Young graduates without work experience continue to face significant difficulties in securing employment and are often compelled to work abroad in low-skilled jobs, while a large proportion of youth are engaged in the informal sector, depriving them of social protection and limiting career advancement. According to a World Bank analytical report based on survey data, 24% of young people aged 16–24 fall into the category of young people not in employment, education or training (NEET); for the age group 16–29, the share is 26.4%. Young women face higher unemployment rates (15.5% compared with 10% among men), and the share of young women not in employment, education or training (NEET) reached 42%, compared with 8.8% among men. In addition, the gender pay gap is substantial: women earn 34% less than men, exceeding the global average of 20%.¹¹

The mismatch between the education and training system and the needs of the economy, limited access to formal employment, and insufficient levels of vocational skills among a significant share of young jobseekers constitute the main barriers to youth labour market integration. The situation is particularly concerning among higher education graduates – in 2024, 59% were unable to secure employment immediately after graduation, despite the availability of more than 350,000 vacancies, including 112,000 requiring higher education qualifications.¹² Graduate employment is also constrained by employers’ requirements for prior work experience in the relevant field.

Half of young workers under the age of 30 are engaged in self-employment, most often as assisting family members. Young people are disproportionately represented in sectors such as bazaars, ride-sharing services, gig work and seasonal agriculture – that is, in informal employment. This has long-term consequences: labour market entry through informal employment may entrench low income levels throughout the life course and exclude individuals from social protection systems. The absence of social insurance contributions means the absence of future pension entitlements, health insurance and access to maternity benefits. Approximately one in five young people is employed in agriculture. As a result, many rural young people are engaged in informal agricultural work or casual labour.¹³

¹⁰ Law of the Republic of Uzbekistan of 12 August 2016 “On State Youth Policy”. <https://www.lex.uz/acts/3026246>

¹¹ https://t.me/statistika_ru/1147. Uzbekistan Country Gender Assessment Report (2024) available at the World Bank web-site: <https://www.worldbank.org/en/country/uzbekistan/publication/country-gender-assessment-2024>

¹² Nearly 60% of higher education graduates have not yet found employment — Minister of Employment of Uzbekistan. <https://www.gazeta.uz/ru/2024/08/12/labor/>

¹³ UNDP. (2025). *Informal Employment in Uzbekistan* <https://www.undp.org/uzbekistan/publications/informal-employment-uzbekistan>

Young women, rural youth, young persons with disabilities and representatives of vulnerable social groups often face barriers to participation in employment programmes.¹⁴ This may be related to cultural norms, low levels of awareness, transport barriers, the lack of accessible conditions, or discriminatory practices by employers. In addition, not all programmes provide flexible learning formats, which is particularly important for young women with family responsibilities.

Thus, the main challenges affecting youth employment include:

- Skills mismatch with labour market requirements, low levels of employer engagement, particularly among businesses and the private sector, in the training of young specialists.
- Labour market participation varies significantly across different population groups: women, persons with low levels of education and residents of rural areas face greater challenges and demonstrate lower levels of participation in economic activity.

3 INSTITUTIONAL STRUCTURE AND GOVERNANCE

The main institution responsible for promoting youth employment in Uzbekistan is the Ministry of Employment and Poverty Reduction of the Republic of Uzbekistan. It is responsible for the formulation and implementation of state employment policy, including youth employment. The Ministry plays a key coordinating role in the design and implementation of active labour market programmes, including vocational training, job creation subsidies, support for youth entrepreneurship, and the development of regional employment centres. At the regional level, territorial employment departments operate to match job vacancies, register unemployed persons, refer individuals to vocational training, and organise public works. In doing so, they cooperate with local authorities, employers, and education and training institutions.

Youth Support Centres established under the youth support strategy “Yoshlar — kelajagimiz” (“Youth is our Future”) also play a significant role in youth employment. They provide career guidance services, counselling, entrepreneurship skills training, and facilitate access to microfinance for business start-ups.

Other important actors within the institutional system include:

- The Ministry of Higher Education, Science and Innovation, responsible for modernising curricula and developing vocational education and training;
- The Ministry of Preschool and School Education, implementing early career guidance initiatives in schools;
- The Youth Affairs Agency under the Cabinet of Ministers of the Republic of Uzbekistan, supporting youth initiatives, including in the field of employment;
- Monocentres and vocational training centres established under the Ministry of Employment and Poverty Reduction as institutions providing vocational training for jobseekers and unemployed persons.
- The “Yoshlar – kelajagimiz” (“Youth is our Future”) Fund and its district and city branches – a non-governmental organisation under the Youth Union – providing grants and loans for youth start-ups and delivering training in labour market-relevant occupations and business skills;
- The National Employment Centre under the Ministry of Employment and Poverty Reduction, coordinating the activities of regional centres and aggregating labour market data.

¹⁴ Institute for Development of Social Protection (2025). Barriers Young People with Disabilities Face in the Labour Market <https://www.undp.org/uzbekistan/publications/barriers-young-people-disabilities-face-labour-market>

Employment centres are established under public–private partnership arrangements – the “Yoshlar – kelajagimiz” Fund finances up to 30% of the costs, while private investors undertake construction under the condition of maintaining the centres and creating jobs for young people (approximately 70%). Across the republic, 125 “Yoshlar mehnat guzari” youth employment centres and 19 “Yosh tadbirkorlar” co-working centres have been commissioned.¹⁵

Information on job vacancies is published in the National Vacancy Database of the Ministry of Employment and Poverty Reduction <https://ish.mehnat.uz>, as well as on the portal <https://vacancy.argos.uz>.

Legal and policy framework for active youth measures

State policy to support youth employment is based on a number of strategic documents:

- The Development Strategy “Uzbekistan – 2030”, which places particular emphasis on human capital development, the introduction of modern approaches to learning, and labour market development;
- The State Programme for 2021–2025, which provides measures to expand youth employment, including subsidies for starting entrepreneurial activities or self-employment;
- The Concept for the Development of State Youth Policy in Uzbekistan until 2025 and the Roadmap for its implementation.
- The Law of the Republic of Uzbekistan “On Employment of the Population”, which contains provisions on young people’s rights to vocational training, internships, and employment support;
- The “Yoshlar balansi” (“Youth Balance”) database and the “Yoshlar – kelajagimiz” (“Youth is our Future”) programme, which is a comprehensive initiative to promote youth employment and entrepreneurship.
- The Decree of the President of the Republic of Uzbekistan “On Additional Measures for Comprehensive Support of Youth and Further Enhancement of Their Social Activity”,¹⁶ and the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan “On Measures for Further Improving the System for Identifying and Addressing Youth Problems”. The “Yoshlar daftari” (“Youth Register”) was established – a programme of the Youth Affairs Agency aimed at providing socio-economic support, developing digital skills, and facilitating employment for young people included in the Register of Low-Income Families.¹⁷

Coordination mechanisms among stakeholders

Uzbekistan seeks to establish an inter-agency and cross-sectoral approach to youth employment policy governance. Coordination mechanisms include:

- Inter-agency working groups under the Cabinet of Ministers;
- Youth dialogue platforms implemented by the Youth Affairs Agency;
- Partnerships with the private sector, particularly within the framework of dual education and internships;
- Cooperation with international organisations (International Labour Organization (ILO), United Nations Development Programme (UNDP), World Bank), aimed at introducing innovative approaches to youth employment governance.

¹⁵ Decree of the President of the Republic of Uzbekistan No. UP-5466 of 27 June 2018 “On the State Programme “Yoshlar – kelajagimiz” <https://lex.uz/docs/3826817?ONDATE2=09.06.2021&action=compare>

¹⁶ Decree of the President of the Republic of Uzbekistan No. UP-6260 of 13 July 2021 “On Additional Measures for Comprehensive Support of Youth and Further Enhancement of Their Social Activity” <https://www.lex.uz/uz/docs/5512122>

¹⁷ Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 312 of 7 June 2022 “On Measures for Further Improving the System for Identifying and Addressing Youth Problems” <https://www.lex.uz/uz/docs/6051791>

Despite progress, the institutional system requires further strengthening, particularly in terms of transparency, coherence, and sustainability of coordination mechanisms. It is especially important to expand the participation of young people themselves in the formulation and monitoring of youth employment policy.

4 ACTIVE LABOUR MARKET MEASURES FOR YOUTH

Uzbekistan has undertaken extensive efforts to design and implement active labour market measures (ALMMs) aimed at increasing youth employment and reducing unemployment among young people. These measures are implemented both within the framework of state programmes and with the support of international organisations. Policy in this area focuses on human capital development, improving labour skills, and promoting youth entrepreneurship.

The “Yoshlar balansi” database has been established, based on which young people are categorised into three groups: red, yellow and green. Based on this database, targeted interventions are implemented at the mahalla level in cooperation with responsible institutions, with the objective of transitioning each mahalla from the red category to the green category.

ALMMs for youth include training subsidies for newly recruited employees through Employment Promotion Centres, support for business establishment and insurance, apprenticeships, new vocational training and retraining courses in training centres, recruitment into public works, employment services, and the “Yoshlar – kelajagimiz” and “Yoshlar daftari” programmes supporting youth entrepreneurship through concessional loans from state banks and tax incentives for enterprises employing young people and socially vulnerable workers. Efforts have been undertaken to reform the vocational education and training system to better align with labour market needs in accordance with international standards, introduce a professional qualification assessment system, expand vocational training opportunities through the establishment of new training centres across the country, increase investment in promoting youth engagement in the agricultural sector through the allocation of free land to young people, and promote youth entrepreneurship through concessional lending. Presidential decrees were adopted in 2021 to establish youth industrial and entrepreneurial zones (technoparks) in all regions and to incentivise employers to recruit young specialists. A new state institution, the Youth Affairs Agency, has also been established.

As of 1 February 2025, a voucher-based system for financing training for unemployed persons, including members of low-income families, in occupations and foreign languages has been introduced. Based on employer requests and the needs of commercial bank clients, the costs of targeted training for unemployed persons, including unemployed members of families included in the Register of Low-Income Families or jobseekers without formal income, in occupations and foreign languages in demand on the labour market, are financed through the voucher system using resources from the State Employment Promotion Fund of the Republic of Uzbekistan. An electronic register of education and training providers delivering training under the voucher system is maintained on the website www.ecosys.mehnat.uz.¹⁸

Measures are currently being implemented to support the transition from education to employment. Existing employment promotion programmes range from vocational training and employment services to wage subsidies aimed at incentivising employers to recruit socially vulnerable unemployed persons and provide training for new employees, including young people, as well as public works programmes and entrepreneurship support programmes in rural areas.

¹⁸ Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 527 of 20 August 2025 “On the Introduction of a Voucher-Based System for Training in Occupations and Foreign Languages with the Involvement of Public and Private Education Providers” <https://lex.uz/docs/7694451>

4.1. Overview of active measures

Vocational training centres have been established with the support of the Korea International Cooperation Agency (KOICA) under the auspices of the Ministry of Employment and Poverty Reduction. Their activities focus on vocational training, retraining and upskilling of unemployed and inactive populations, the assessment and certification of their professional knowledge, skills and qualifications, entrepreneurship and foreign language training, and career guidance. The centre has five branches (Tashkent, Samarkand, Fergana, Urgench, Shakhrisabz). Training is primarily provided in occupational fields such as mechanical engineering, electronics, automotive maintenance, welding and turning, construction, and information technology, among others. Training is delivered over a six-month period followed by a two-month internship with a partner company, after which learners may obtain a diploma. In addition, there are centres providing short-term training courses (from one to three months) for individuals seeking employment abroad.

Vocational education and training (VET) is being developed with the aim of increasing employment levels in rural areas, particularly in the modernised agricultural sector. Initiatives such as the European Union (EU)–United Nations Educational, Scientific and Cultural Organization (UNESCO) partnership aim to enhance the quality and effectiveness of the VET system in selected regions of Uzbekistan.

As of 1 April 2025, loans and subsidies provided through the “Women’s Register” and the “Youth Register” funds for entrepreneurial start-ups and the acquisition of equipment, tools, seeds and seedlings required for self-employment are financed through the State Targeted Poverty Reduction Fund.¹⁹

Recognising the significant potential returns of education measures aimed at reducing gender inequality, Uzbekistan is implementing policies to promote women’s education. Measures to expand women’s participation in higher education, specialised secondary education and vocational education and training are included in the National Programme to Increase Women’s Participation in All Sectors of Economic, Political and Social Life for 2022–2026.²⁰ They include increasing higher education admission quotas, providing education loans, and offering tuition-free master’s degree education in public higher education institutions for women.

4.2. Classification of active labour market measures

In Uzbekistan, during 2023–2024, these areas were operationalised through a number of state programmes and initiatives.

Active labour market measures include:

- 1) Employment services
- 2) Training and retraining
- 3) Employer incentives
- 4) Direct job creation
- 5) Support for entrepreneurship and self-employment

Employment services are provided by employment centres under the Agency for Employment and through the digital platform <https://ish.mehnat.uz/>, which ensures online access to vacancies and counselling services.

Training and retraining are implemented through the “Yoshlar – kelajagimiz” programme, dual training at enterprises, and retraining courses delivered by public institutions.

¹⁹ Decree of the President of the Republic of Uzbekistan No. UP-17 of 30 January 2025 “On Improving Financing Procedures of the Social Protection System”. <https://lex.uz/uz/docs/7374368>

²⁰ Decree of the President of the Republic of Uzbekistan No. 87 of 7 March 2022 “On Measures for Further Accelerating Systemic Support for Families and Women”. <https://lex.uz/docs/5899500>

By Presidential Decree of the Republic of Uzbekistan dated 23 October 2025,²¹ the Agency for Professional Education was established under the Ministry of Higher Education, Science and Innovation, responsible for coordinating the activities of vocational education institutions (technical colleges) and managing the vocational education sector. The Agency defines requirements for the content of vocational education programmes, the qualification levels awarded, minimum duration of training, graduate assessment criteria, and teaching and methodological support, which are mandatory for all vocational education institutions regardless of ownership.

For the Agency:

(i) the Ministry of Employment and Poverty Reduction provides training orders for occupations for individuals not covered by the voucher system. The costs associated with training citizens under the voucher system and training orders are financed through the State Employment Promotion Fund;

(ii) the Migration Agency provides training orders for occupations, specialisations, and foreign languages based on labour demand from foreign employers. The funds required for training and strengthening the material and technical base of technical colleges are financed through the Migration Fund. The Agency is authorised to conclude direct agreements with foreign organisations for the implementation of international education programmes in public technical colleges.

Employer incentives are provided in the form of subsidies to employers recruiting young specialists, as well as tax incentives for enterprises creating jobs for graduates. Since 2021, wage subsidies have been introduced to reimburse employers for the amount of social tax paid on employees under the age of 25, as well as subsidies for students of vocational education institutions amounting to UZS 500,000 per month for six months to undertake workplace-based training at enterprises.

The State Targeted Fund for the Development of Youth Entrepreneurship has been established as a state institution under the Youth Affairs Agency on the basis of the Young Entrepreneurs Support Fund of the Ministry of Investment, Industry and Trade. Direct job creation in the form of public works, seasonal agricultural work, social work, landscaping, and greening activities is organised through employment centres via mahallas and local authorities, enabling the engagement of young people from low-income backgrounds in employment. However, programmes offering temporary seasonal employment and short-term jobs do not provide long-term employment guarantees. Particular attention is given to supporting entrepreneurship and self-employment through the Entrepreneurship Support Fund by providing concessional loans and grants to young citizens, including under the “Yoshlar daftari” initiative, while acceleration centres support the development of youth start-ups. Commercial banks will support business start-ups for 20,000 graduates. In particular, USD 300 million has been allocated to the National Bank and Aloqabank to finance youth employment.²²

On 14 February 2025, the President presented three key policy documents aimed at launching a new era of youth entrepreneurship in Uzbekistan. These initiatives are designed to address youth unemployment and promote innovation by creating broader opportunities for young people across the country.²³ The first document establishes the Youth Entrepreneurship Development Fund under the Youth Affairs Agency, with USD 100 million allocated to support its activities. This will enable young entrepreneurs to access concessional loans of up to UZS 2.5 billion, while proactive young people will be able to obtain up to UZS 2 billion in investment for their start-up projects.²⁴

A new system has been introduced to increase employment among higher education graduates. In partnership with the Ministry of Higher Education and the Chamber of Commerce and Industry, banks provide new financial services to help transform graduates’ ideas and initiatives into viable business

²¹ Decree of the President of the Republic of Uzbekistan No. UP-190 of 23 October 2025 “On Measures to Improve Governance Efficiency in the Vocational Education System” <https://www.lex.uz/uz/docs/7792559>

²² Official website of the President of the Republic of Uzbekistan. New approaches to ensuring employment of higher education graduates have been defined. <https://president.uz/ru/lists/view/8372>. 08.08.2025

²³ Uzbekistan’s efforts to combat youth unemployment reach a new phase <https://yoshlarkelajagimiz.uz/en/uzbekistans-efforts-to-combat-youth-unemployment-reach-a-new-phase/>

²⁴ Resolution of the President of the Republic of Uzbekistan No. PP-60 of 14 February 2025 “On Measures to Improve the System of Support for Youth Entrepreneurship and Business Projects Aimed at Ensuring Youth Employment” <https://lex.uz/docs/7386894#7391245>

projects.²⁵ Aloqabank, designated as a “youth bank”, is intended to support youth business projects. USD 200 million has been allocated for this purpose. The bank will provide microloans to self-employed young people of up to UZS 100 million with a repayment period of seven years. In addition, individual entrepreneurs employing at least 20 young people, establishing small businesses, or creating training centres will be able to obtain concessional loans of up to UZS 5 billion for a period of seven years. At least 30% of these loans will be allocated to support women entrepreneurs. Youth business incubators have been established in various regions, where innovative ideas will be developed into start-ups. These projects will receive support for a period of six months to three years, enabling them to develop into fully operational enterprises. The Aloqa Venture Fund will invest between USD 50,000 and USD 1 million in start-ups, supporting product and service commercialisation in domestic and international markets, and assisting in identifying business partners and attracting additional investment.²⁶

In 2024, 56,000 hectares of land were allocated to young people, enabling the employment of 153,000 young people in agriculture. In 2025, 3,300 hectares of unused land were leased under new conditions. Youth cooperatives have been established to enhance agricultural knowledge and skills, while young entrepreneurs establishing businesses in industrial zones can access loans of up to USD 500,000 to purchase equipment.²⁷

The national leadership has recognised the potential negative consequences of youth unemployment, including the risk of youth involvement in unlawful activities, religious extremism, and crime. To equip young people with vocational skills and language competencies, and to facilitate access to well-paid employment, a large-scale employment programme with total funding of UZS 126 trillion has been launched this year. The programme provides financing for 378,000 microprojects in local communities, enabling 250,000 individuals to obtain stable income through new credit products provided by local banks. To prepare young people for strategic decision-making in technological fields, eight advanced engineering schools have already been established at technical universities, and an additional five such schools are expected to open this year.²⁸

Business entities employing members of low-income families and paying them monthly wages at least 1.5 times higher than the minimum wage are subject to a reduced social tax rate of 1% on the wage fund of these employees for the period from 1 January 2025 to 1 January 2028. From 1 September 2024 to 1 September 2027, business entities employing students of schools, colleges, and technical colleges (under the age of 30) for vocational training purposes are subject to a social tax rate of 1% on the wages paid to them.²⁹

A model “Creative Park” has been established at the Youth Creativity Palace in Tashkent, and similar parks are planned in other regions. These parks will be equipped with the necessary infrastructure and resources. Residents of these parks will benefit from preferential tax regimes until 2030, including a 50% reduction in social tax and personal income tax rates. Business schools will be established within these parks to train representatives of the creative industries. These schools will provide training in innovative business practices, including e-commerce and modern service delivery methods.

“Yoshlar daftari” and the package of youth employment measures

- Implemented by the Youth Affairs Agency, local authorities (hokimiyats), and relevant ministries.
- Financed through the state budget and targeted state programmes; dedicated bank credit lines established under presidential decrees.

²⁵ Resolution of the President of the Republic of Uzbekistan No. PP-328 of 3 November 2025 “On Amendments and Additions to the Resolution of the President of the Republic of Uzbekistan No. PP-61 of 14 February 2025 ‘On Additional Measures to Promote Employment of Higher Education Graduates’” <https://lex.uz/ru/docs/7808448>

²⁶ Resolution of the President of the Republic of Uzbekistan No. PP-60 of 14 February 2025 “On Measures to Improve the System of Support for Youth Entrepreneurship and Business Projects Aimed at Ensuring Youth Employment” <https://lex.uz/docs/7386894>

²⁷ Youth Affairs Agency. (2024). Briefing on Youth Engagement in 2024 and Conclusion of the “Youth Forum–2024” <https://gov.uz/en/yoshlar/news/view/31498>

²⁸ Resolution of the President of the Republic of Uzbekistan No. PP-278 of 8 September 2025 “On Measures for Training Next-Generation Engineers and Developing Engineering Education” <https://lex.uz/docs/7732515?ONDATE=18.09.2025>

²⁹ Law of the Republic of Uzbekistan No. ZRU-1014 of 24 December 2024 “On Amendments and Additions to Certain Legislative Acts of the Republic of Uzbekistan in Connection with the Adoption of the Main Directions of Tax and Budget Policy for 2025” <https://lex.uz/uz/docs/7279959>

- Targeted support (training, grants/microloans, employment assistance), with priority access to employment programmes.

In 2025, a comprehensive package of measures was launched:

- Youth Entrepreneurship Development Fund — USD 100 million (concessional loans of up to UZS 2.5 billion and investments of up to UZS 2 billion in start-ups);
- A new graduate employment system (through the National Bank — USD 100 million and inter-agency employment commissions);
- Aloqabank is being transformed into a “youth bank” — USD 200 million: microloans of up to UZS 100 million (up to seven years), concessional loans of up to UZS 5 billion for organisations employing at least 20 young people, with at least 30% allocated to women entrepreneurs;
- A reduced social tax rate of 1% for three years for employers paying young employees at least UZS 3 million per month;
- Creative parks with preferential tax regimes until 2030 and business schools.

The United Nations Children’s Fund (UNICEF) provides skills development and employment programmes, with a particular focus on the most vulnerable groups — youth from remote areas, girls, young persons with disabilities, internally displaced persons, and unemployed youth. Over the past four years, more than 1.8 million young people (more than 893,761 boys and 894,053 girls) have developed their social, emotional, entrepreneurial, digital and STEM skills, as well as employability skills, through the following programmes:³⁰

- UPSHIFT – a youth social innovation and social entrepreneurship programme aimed at supporting the most vulnerable adolescents, including girls, youth in remote rural areas, young persons with disabilities, graduates of residential institutions, and young people not in employment, education or training (NEET).
- Skills4Girls education programme, which supports girls from remote areas and girls with visual and hearing impairments in acquiring digital literacy, programming and other digital and transversal skills for employment.
- UniSat STEM education programme for girls, which helps develop programming, engineering and data analysis skills, and expand knowledge in space and climate science.
- FunDoo digital chat-based platform, which supports young people, including the most vulnerable, in acquiring 21st-century skills related to environmental protection and employment through interactive and self-directed learning, preparing them for the future.

Thus, national policy on active labour market measures demonstrates alignment with international approaches, while taking into account the specific socio-economic context of Uzbekistan.

5 EFFECTIVENESS AND IMPACT OF ACTIVE LABOUR MARKET MEASURES

The effectiveness of active labour market measures (ALMMs) for youth in Uzbekistan is assessed based on criteria such as participant coverage, employment growth, employment sustainability, skills development, and youth satisfaction levels. Despite the availability of a wide range of programmes, the impact of these measures remains uneven and limited, due to institutional, regional, and gender-related factors.

³⁰ Adolescent and Youth Development and Participation.
<https://www.unicef.org/uzbekistan/%D1%80%D0%B0%D0%B7%D0%B2%D0%B8%D1%82%D0%B8%D0%B5-%D0%B8-%D1%83%D1%87%D0%B0%D1%81%D1%82%D0%B8%D0%B5-%D0%BF%D0%BE%D0%B4%D1%80%D0%BE%D1%81%D1%82%D0%BA%D0%BE%D0%B2-%D0%B8-%D0%BC%D0%BE%D0%BB%D0%BE%D0%B4%D0%B5%D0%B6%D0%B8?utm>

Overall, ALMMs implemented in Uzbekistan demonstrate a high degree of institutionalisation and diversity of instruments, ranging from digital platforms and dual education to employer subsidies and support for youth entrepreneurship. A key strength is the emphasis on a comprehensive approach covering both vocational training and labour demand stimulation.³¹ At the same time, certain challenges persist: limited effectiveness of public works programmes, unequal access to programmes across regions, and insufficient integration of monitoring and evaluation mechanisms into the national labour market governance system. This highlights the need for further development of impact assessment systems, strengthening of regional coverage, and expansion of partnerships with the private sector.³²

The strengths of active measures include:

- increasing coverage of vulnerable youth (including women, rural youth, and college graduates);
- emphasis on practical and entrepreneurial skills development;
- integration of information and communication technology (ICT) solutions into vacancy matching and online training systems;
- implementation of the “Yoshlar – kelajagimiz” programme, integrating employment and social support instruments.

However, several **weaknesses** limit the overall impact:

- unequal access: a significant proportion of youth in remote and rural areas remain outside the coverage of these measures;
- lack of sustainable impact evaluation mechanisms: most programmes are not accompanied by systematic monitoring and evaluation of outcomes and effects, particularly in the long term;
- limited funding for youth programmes.

Overall, the potential of active labour market measures in Uzbekistan is confirmed by strong local success indicators. However, achieving large-scale and sustainable impact requires strengthened institutional coordination, formalised programme evaluation, implementation of digital monitoring systems, and a stronger focus on inclusiveness.

6 CHALLENGES AND GAPS

Despite active efforts by the government and development partners, the youth labour market in Uzbekistan continues to face a number of structural and institutional challenges that limit the effectiveness of active labour market measures to promote employment. These challenges relate both to the quality and accessibility of programmes and to systemic aspects of governance and coordination.

- Limited coverage and resources. Existing measures reach only a portion of young people in need, primarily in urban areas, while youth in rural areas face limited access to training programmes, career guidance, microfinance and internships, and have reduced access to employment programmes. Budget constraints, weak material and technical capacity of regional employment centres, and shortages of qualified personnel hinder the scaling up of programmes.
- For many years, youth policy in Uzbekistan has been shaped predominantly by representatives of older, more conservative generations.³³ This has resulted in a disconnect between young people and decision-makers, with policies more focused on preserving spiritual values,

³¹ Academy for International Cooperation. *Uzbekistan: “Ambassadors of dual TVET” support the reform of the training system in Uzbekistan.* <https://akademie.giz.de/en/uzbekistan-ambassadors-dual-tvet-support-reform-training-system-uzbekistan>

³² UNICEF (2021). Uzbekistan Education Sector Analysis. https://uzbekistan.un.org/sites/default/files/2022-05/Edu%20Sit%20An_UNICEF%202022_0.pdf

³³ Gazeta.UZ (2019). *Qahramon Kuronbayev resigns from the post of head of the Youth Union* [Qahramon Quronboyev Yoshlar ittifoqi rahbari lavozimini tark etdi] <https://www.gazeta.uz/oz/2019/08/30/kuranbayev/>

traditions and social norms than on addressing the practical needs of youth, such as skills development, education, and support for innovation and entrepreneurship.³⁴

- Limited youth participation in decision-making processes. Individuals under the age of 30 represent only 1.3% of the total number of deputies, indicating a very low level of youth representation in decision-making bodies.³⁵ Education and employment policies affecting youth are primarily determined by older generations, who often have an insufficient understanding of the evolving needs, expectations and realities of younger generations.
- Significant gaps exist in education, including in technical colleges and vocational education institutions, particularly in terms of labour market-relevant skills. Учебные программы, программное обеспечение и оборудование в образовательных учреждениях часто не соответствуют потребностям частного сектора. В результате работодателям приходится переобучать выпускников на рабочем месте, чтобы адаптировать их знания к требованиям отрасли.
- Limited private sector engagement. The private sector remains weakly involved in the design and implementation of employment programmes. Employers demonstrate low interest in recruiting persons with disabilities and higher education graduates without work experience. Employers rarely participate in curriculum development, are reluctant to offer internships, and incentive measures (such as tax benefits or subsidies) are not always effective. This constrains the development of sustainable employment promotion mechanisms.
- Strengthening career guidance and personalised counselling for youth is required, ensuring targeted support in identifying skills, exploring career pathways, and accessing training opportunities aligned with labour market needs.
- Fragmentation. Numerous projects initiated by the United Nations Children's Fund (UNICEF), such as UPSHIFT, Skills4Girls, UniSat and the FunDoo digital platform, are specifically designed to support vulnerable groups, including rural youth, girls with disabilities, and young people not in employment, education or training (NEET). However, they are often implemented as standalone initiatives rather than as part of a comprehensive national strategy.
- The monitoring and evaluation system for active measures remains weak. Standardised performance indicators are lacking, and regular impact assessments of programmes on long-term youth employment are not conducted, particularly across gender, regional and social dimensions. This limits evidence-based decision-making and the scaling up of successful initiatives.

7 CONCLUSION

Uzbekistan's demographic structure places significant pressure on the labour market. More than half of the country's population consists of young people under the age of 30, creating an annual need for a large number of new jobs for individuals entering working age.

The youth labour market in Uzbekistan faces a complex set of interrelated challenges, including high unemployment, a significant share of young people not in employment, education or training (NEET), structural skills mismatches with labour market needs, informal employment, and limited access to support mechanisms, particularly in rural regions.

The review of active measures indicates that, despite their diversity — ranging from vocational training to support for youth entrepreneurship — their effectiveness remains constrained due to fragmentation,

³⁴ KUN.UZ (2018). *Uzbek youth demand resignation of the pioneering chairman of the Youth Union* [O'zbekistonlik yoshlar Yoshlar ittifoqining yo'lto'sar raisidan iste'fo so'raydi] <https://kun.uz/16186691?q=%2F16186691>

³⁵ IPU Parline. Uzbekistan – Data on youth. <https://data.ipu.org/parliament/UZ/UZ-LC01/data-on-youth/>

limited coverage, and low levels of private sector engagement. Women, young persons with disabilities, rural youth, and young people from socially disadvantaged backgrounds remain particularly vulnerable.

Poverty reduction strategies in rural areas should go beyond the allocation of agricultural land to young people, as agriculture is labour-intensive and generates limited income. Within the framework of intergovernmental agreements, the development of language and technical skills is more effective in ensuring stable and higher incomes.

The institutional structure for promoting youth employment in the country is undergoing active transformation but requires strengthened coordination mechanisms, enhanced transparency, and greater responsiveness to youth needs. Digitalisation, inter-agency coordination, and active private sector engagement in skills development are key elements of a sustainable system.

Recommendations:

- Existing youth employment strategies should place greater emphasis, alongside national-level indicators, on youth in rural regions, who face distinct challenges, including migration, limited enterprise development, insufficient programme availability, and the digital divide.
- The collection and longitudinal tracking of graduate data are essential for developing evidence-based youth employment policies. Currently available data are primarily cross-sectional and do not allow for causal analysis required to inform effective youth employment strategies.
- Strengthening monitoring and evaluation systems with a focus on effectiveness, sustainability, and gender and regional dimensions. Establishing specific performance targets for youth-focused active labour market measures.
- Integrating cross-sectoral programmes by linking employment policy with education, digitalisation, gender equality, and sustainable development.
- Enhancing employer engagement in the development of education programmes and improving the quality and labour market relevance of skills provision. Increasing private sector participation through tax and non-financial incentives, engagement in dual education, and provision of internships.
- Strengthening career guidance components within the education system and local employment services to facilitate school-to-work transition and informed career choice.
- The integration of information and communication technologies (ICT) and online platforms will expand access to employment services, career guidance, and distance learning, making them scalable, personalised, and accessible in remote regions where offline career centre capacity is limited. A unified digital platform for youth could integrate vacancies, internships and training programmes, link with university and college career centres, and provide personal accounts with CV and portfolio functions and access to career mentors. Virtual job fairs and mobile applications with real-time vacancy notifications will enhance service outreach. At the same time, the use of artificial intelligence analytics and big data will enable labour market monitoring, forecasting of skills and occupational demand, and the provision of personalised training recommendations, while the introduction of micro-credentials with employer-recognised digital badges will strengthen school-to-work transition pathways.

The implementation of these recommendations will enable the transition towards a systematic and sustainable youth employment policy based on human capital development and the creation of quality jobs.

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