

# **TURKMENISTAN: ACTIVE LABOUR MARKET POLICIES FOR YOUTH**

Working paper

Author: Gulshirin Annadurdyeva, 2025

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# 1 INTRODUCTION

Promoting effective employment is one of the components of social policy in Turkmenistan. Currently, the following programmes are being implemented: the Programme of the President of Turkmenistan for the Socio-Economic Development of the Country in 2022-2028, the National Programme of the President of Turkmenistan on Reforming the Social and Living Conditions of the Population of Villages, Settlements, Towns, Etraps and Etrap Centres for the Period until 2028, the Programme for the Socio-Economic Development of Turkmenistan and Investments in 2025, the Programme for Youth Adaptation to the Labour Market and Improvement of Their Employability; as well as programmes for the development of industries and regions. All these programmes are aimed at supporting sustainable economic growth, developing economic sectors and regions through the maximum utilization of the country's internal potential, including labour resources.

The programmes involve comprehensive measures to develop new industrial sectors and transform agriculture, while creating favourable conditions for strengthening the private sector's position in the national economy. The technological and innovative nature of new industries, the transition to a digital economy and the development of market relations certainly have an impact on employment, particularly in terms of the level of education and qualifications of the labour force.

Employment policy aims to ensure equal opportunities for all citizens in exercising their right to work and the free choice of profession, and at creating the legal, economic and organizational conditions for the functioning and regulation of the labour market. Therefore, state employment policy is formulated and implemented through the joint efforts of the legislative and executive authorities, employers, with the participation of trade unions.

Employment management is part of the overall system for managing socio-economic processes and a key component of the market system, enabling the effective use of the country's labour potential.

According to data published by TurkmenStat, the population of Turkmenistan, based on the results of the 2022 Complete Population and Housing Census, stands at 7,057,841 people (see Table 1).

**Table 1. Population of Turkmenistan according to Census results**

Indicator	1989	2022
<b>Population, persons</b>	<b>3 522 717</b>	<b>7 057 841</b>
<i>including:</i>		
Male	1 735 179 (49,26%)	3 526 421 (49,96%)
Female	1 787 538 (50,74%)	3 531 420 (50,04%)
Below working age (0-15 years)	1 504 708 (42,7%)	2 463 258 (34,9%)
At working age (16-62 years old)	1 751 314 (49,7%)	4 020 649 (57,0%)
Above working age (63 +)	266 695 (7,6%)	573 934 (8,1%)
Urban, %	45,17	47,1
Rural, %	54,83	52,9

Source: TurkmenStat website. Census section. <https://www.stat.gov.tm>

Data from the 2022 Census show that the proportion of young population in Turkmenistan is indeed significant. The share of the population below working age (0-15 years) accounts for 34.9% of the total. This indicates a large human resource potential and highlights the importance of policies aimed at ensuring employment and skills development among young people.

A comprehensive framework of legislative and regulatory instruments has been implemented to advance the state policy in the area of employment. Measures have been undertaken to promote entrepreneurship and enhance opportunities for citizen's self-employment, while engagement with employers has been restructured with an emphasis on their needs in the training of specialists.

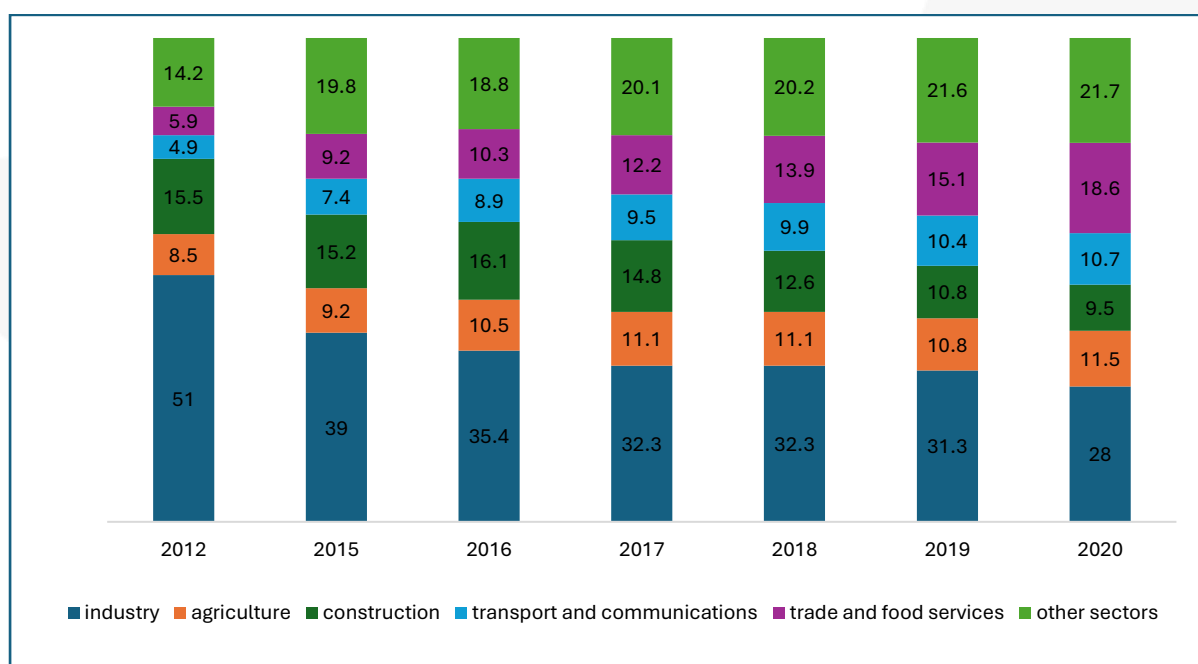
Employment management is carried out taking into account the specific characteristics of each region of the country, with particular emphasis on youth, vulnerable population groups and promotion of gender

equality. An important indicator of the implementation of state employment policy is the annual creation of new jobs.

According to data from international financial institutions, including the World Bank, Turkmenistan's economy has demonstrated stable and positive growth in recent years. Official statistics indicate that the growth rate of gross domestic product (GDP) was as follows: 2015 – 6.5%, 2017 – 6.5%, 2019 – 6.3%, 2021 – 6.2%, 2023 – 6.3%.<sup>1</sup> However, in 2024, GDP growth slowed to 2.3%, and forecasts for 2025 remain at the same level.<sup>2</sup>

Figure 1 presents the structure of Turkmenistan's gross domestic product (GDP) by economic sectors, indicating their respective shares in the total volume.

**Figure 1. Sectoral composition of Turkmenistan's GDP, in %**



Source: TurkmenStat website. Census section. <https://www.stat.gov.tm>

As can be seen from the data presented in Figure 1, despite the increase in the share of the agricultural sector in GDP, the share of the material sectors of the economy (industry, agriculture and construction) decreased from 75% in 2012 to 49% in 2020. It is known over this period, the share of non-material sectors (transport and communications, trade and other types of services) increased from 25% to 51%, respectively. These data confirm that the policy of economic diversification is being successfully implemented in the country. In recent years, such sectors as petrochemicals, the textile industry, the electronics industry and the services sector, etc. have been developing at a rapid pace.

## 2 OVERVIEW OF THE YOUTH LABOUR MARKET

The key indicators characterizing the situation in the labour market include the labour force participation rate, the employment rate, the unemployment rate, the level of wages, and the rate of informal employment. All these indicators also reflect trends and opportunities in youth employment. In addition to these indicators, youth employment can be assessed through such measures as the youth

<sup>1</sup> <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=TM>

<sup>2</sup> <https://www.imf.org/en/Countries/TKM#countrydata>

employment rate, the youth unemployment rate, and the number of young people who are not in education, employment or training (NEET).

The state guarantees the provision of equal rights for women and men in the field of labour, and the gender aspect is also an important indicator of ensuring and promoting youth employment.

**Table 2. Labour Force Participation Rate in Turkmenistan from 2005 to 2023, by sex, %.**

	2005	2010	2015	2023
Labour force participation rate	75,6	75,5	75,1	75,9
Male labour force participation rate	82,4	80,3	82,4	76,1
Female labour force participation rate	68,6	70,5	67,4	75,6
Youth labour force participation rate, ages 18-35	...	...	63,0	68,2
Male labour force participation rate, ages 18-35	...	...	70,4	72,1
Female labour force participation rate, ages 18-35	...	...	55,4	64,5

Source: TurkmenStat data. <https://www.stat.gov.tm>

As shown by the data presented in Table 2, the overall labour force participation rate remained relatively stable over the period under review, increasing slightly from 75.6% in 2005 to 75.9% in 2023.

At the same time, the male labour force participation rate fluctuated and declined from 82.4% in 2005 to 76.1% in 2023. This indicates a general downward trend, particularly noticeable in recent years. The decline in male labour force participation, particularly after 2015, may be associated with an ageing male workforce, early retirement or health issues that lead men to leave the labour force. Automation and changes in sectors such as manufacturing and construction may also have disproportionate impact on men.

The female labour force participation rate fluctuated between 68.6% in 2005 and 70.5% in 2010, then declined to 67.4% in 2015. However, by 2023, it had risen significantly to 75.6%, bringing women's participation to almost the same level as men's in 2023.

The youth labour force participation rate rose from 63.0% in 2015 to 68.2% in 2023. This indicates a positive trend in youth engagement in the labour market. During the same period, the participation rate for men aged 18-35 increased from 70.4% in 2015 to 72.1% in 2023, while the rate for women in the same age group showed a significant increase from 55.4% in 2015 to 64.5% in 2023.

The recent increase in youth labour force participation from 2015 to 2023 may reflect improved employment prospects, economic recovery and an increase in jobs for young people. It may also be linked to the growth of new sectors such as technology, services, and remote work, which have attracted more young workers, including young women.

The substantial increase in the labour force participation of young women between 2015 and 2023 may also be the result of changing social expectations around gender roles, with more women entering employment and remaining in the labour force. Government support, such as maternity leave, childcare services and flexible working arrangements, may have contributed to this growth. A growing number of women are also obtaining secondary and higher professional education, which is leading to greater participation in the labour force as they pursue employment in professional and highly skilled roles.

The overall stability of labour force participation rate indicates the resilience of labour market, while the growing participation of women and youth presents opportunities for long-term economic growth. Policymakers in the field of youth labour and employment should ensure the continuation of this trend. Investments in education, vocational training, apprenticeship programmes and entrepreneurship for young people will be key for sustaining and further increasing youth participation in the labour market. Promoting digital literacy and access to new sectors, such as technology and the green economy, can further improve youth employment indicators.

Thus, the data in Table 2 show an overall steadily growing labour force participation rate from 2005 to 2023. The significant increase in the participation of women and youth, alongside the decline in male participation, reflects broader economic, social and demographic changes.

## Youth Unemployment

Table 3 contains data on the unemployment rate in Turkmenistan, broken down by gender, from 2018 to 2022.

**Table 3. Unemployment Rate by Gender (as a percentage of the labour force in the corresponding age group)**

	2018	2019	2020	2021	2022
<b>Percentage of the population seeking work (aged 18–61) (according to ILO methodology)</b>	<b>4,8</b>	<b>4,8</b>	<b>4,8</b>	<b>4,8</b>	<b>4,7</b>
Male (aged 18-61)	5,1	5,2	5,5	5,1	4,8
Female (aged 18-56)	4,4	4,4	4,1	4,4	4,7
<b>Percentage of youth seeking work (aged 18-35)</b>	<b>6,5</b>	<b>6,5</b>	<b>6,4</b>	<b>6,3</b>	<b>6,2</b>
Male	5,5	5,2	5,4	5,3	5,2
Female	8,1	8,3	8,0	7,6	7,5

Source: TurkmenStat data, <https://www.stat.gov.tm>

The share of the population seeking work (according to ILO methodology) remained stable at 4.8% from 2018 to 2021, with a slight decline to 4.7% in 2022. The overall stability of the unemployment rate over the five-year period indicates a stable economy, without significant economic shocks that could lead to massive job losses.

Throughout the period, the unemployment rate among men was higher than among women. For example, in 2020, 5.5% of men were looking for work, compared to 4.1% of women. However, by 2022, the gap had narrowed to 4.8% of men versus 4.7% of women. This indicates a slight convergence in unemployment rates between men and women.

The higher unemployment rate among men may be related to their concentration in sectors that are more vulnerable to economic fluctuations, such as construction, transport and energy. When these sectors slow down or layoffs occur, men are more likely to lose their jobs. Women, who are more often employed in healthcare, education and services, may have greater job stability, although this trend changed in 2022 when the female unemployment rate rose to 4.7%.

The youth unemployment rate for those aged 18-35 gradually declined from 6.5% in 2018 to 6.2% in 2022. This downward trend may indicate improved employment opportunities for young workers during this period, possibly due to economic growth, targeted youth employment programmes, or changes in labour demand.

Despite the overall decline in youth unemployment, the higher rate compared to the general population indicates that young workers face greater challenges when entering the labour market. These challenges may include a lack of experience, skills mismatch, or limited opportunities in entry-level positions.

We observe a clear gender disparity in youth unemployment rates: young women consistently experience higher unemployment than young men. In 2022, 7.5% of young women were seeking work, compared to 5.2% of young men. Despite a slight decline in female unemployment, the gender gap remains significant. This may be influenced by perceptions of traditional gender roles, discrimination and potential biases against young women in recruitment.

The relatively high youth unemployment rate, particularly among women, highlights the need for targeted youth employment programmes. Expanding access to vocational training, internships and job placement programmes can help bridge the gap between education and employment. Particular attention should be given to young women, ensuring equal access to employment opportunities and reducing gender barriers in recruitment.

Practice shows that one of the factors of youth unemployment is the mismatch between the skills young people acquire and the demands of employers. The structure of youth unemployment by level of education is presented in Table 4.

**Table 4. Structure of Unemployed Youth by Level of Education and Gender in 2023 (according to labour force survey data)**

	Total	Male	Female
<b>Total</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>
<i>including by level of education:</i>			
Higher professional and incomplete (incomplete higher professional)	4,8	6,9	2,7
Secondary professional (specialized secondary)	6,7	5,6	7,8
Professional and technical (initial professional)	1,8	0,2	3,4
General secondary education	86,7	87,3	86,1

Source: TurkmenStat data. <https://www.stat.gov.tm>

As shown in the data of Table 4, the overwhelming majority of unemployed youth (86.7%) have only a general secondary education. The distribution is nearly the same for men (87.3%) and women (86.1%), indicating that the lack of specialized or higher education is an important factor hindering employability and contributing to rising youth unemployment.

The predominance of general secondary education among unemployed youth indicates that there are insufficient job opportunities in the labour market for people with basic education. As many jobs require specialized skills or higher education, young people with only a general education may be at a disadvantage when seeking work. Creating entry-level jobs for this group of youth and expanding internship, apprenticeship and job placement programmes for young people without specialized education can help address this issue. For young people with general secondary education, providing opportunities for further education or upskilling could improve their employment prospects.

A substantial share (6.7%) of unemployed youth has secondary professional education. Women (7.8%) are slightly more represented in this category than men (5.6%). Expanding training programmes in high-demand sectors, such as technology, healthcare, and green energy, could help youth with vocational qualifications find better employment opportunities.

4.8% of unemployed youth have higher professional and incomplete (non-graduated) higher professional education. At the same time, a noticeable gender gap is observed: 6.9% of unemployed men have higher professional education, whereas among women this figure is only 2.7%.

Although youth with higher professional education are less likely to be unemployed, initiatives for lifelong learning and upskilling could help young people with higher education adapt to changing labour market conditions and find jobs in new or growing sectors.

Finally, among youth with professional technical education, there are significantly more unemployed young women (3.4%) than men (0.2%). This indicates that young women with professional technical education face difficulties in finding work, possibly due to low demand for such qualifications or the concentration of women in sectors with limited job growth.

Based on data from the report of the State Committee of Turkmenistan on Statistics, information on the unemployment rate in the country, broken down by gender, age and level of education, is presented below.<sup>3</sup>

<sup>3</sup> State Committee of Turkmenistan on Statistics (2022). Results of the Complete Population and Housing Census of Turkmenistan.

**Table 5. Unemployment in Turkmenistan (%), by gender and age, 2022**

Category	Unemployment rate (%)
<b>Total (national average)</b>	<b>5,4</b>
Male	5,4
Female	5,5
<b>By age group</b>	
18–19	9,6
20–24	9,0
25–29	6,5

Source: State Committee of Turkmenistan on Statistics (2022), <https://www.stat.gov.tm/ru/population-census>

As shown in the data of Table 5, the highest unemployment rate is observed among youth, particularly those aged 18-19. The unemployment rate gradually declines with age and varies significantly depending on the level of education attained.

Gender differences in unemployment rates among youth with higher professional and professional-technical education indicate that men and women face different challenges when entering the labour market. Promoting gender equality in recruitment, offering career guidance and expanding opportunities for women in traditionally 'male' professions will help reduce unemployment among young women.

Reducing youth unemployment requires targeted policies to improve the alignment of education with labour market needs, support vocational training and initiatives to address gender discrimination in employment. Such an approach will help ensure equal employment opportunities across all levels of education. At the same time, the presence of individuals with higher education among the unemployed suggests a possible oversupply in certain sectors requiring high qualifications, or a lack of suitable jobs that match their professional level.

### Youth Outside the Labour Market and Informal Employment

The economically inactive population of working age in Turkmenistan consists of people of working age – students, schoolchildren and postgraduate students enrolled in full-time education programmes; non-working old-age pensioners, beneficiaries of early retirement and non-working persons with disabilities of working age, as well as homemakers. Women constitute the majority of the economically inactive population.

**Table 6. Structure of the Economically Inactive Population by Gender, % (according to the labour force survey data 2021)**

	Total	Male	Female
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<i>including:</i>			
Students, schoolchildren, postgraduate and doctoral students enrolled in full-time education	21.6	38.4	14.4
Non-working old-age pensioners, beneficiaries of early retirement of working age	0.6	1.0	0.4
Non-working persons with disabilities of working age	7.0	14.1	3.9
Homemakers	70.8	46.5	81.3

Source: *Impact of the Global Pandemic on the Socio-Economic Situation of Households in Turkmenistan (Based on a Sample Labour Force Survey). Report by Turkmenstat, 2021.*

The share of the economically inactive population enrolled in full-time education exceeds 21%. Men are more likely to continue their studies and delay entering the labour market, as evidenced by the significantly larger share of economically inactive men enrolled in full-time education compared to the share of economically inactive women who are students in full-time programmes. The lower percentage of women in full-time education may indicate earlier entry into the labour market or involvement in domestic responsibilities, which limits their opportunities for continuing education.

Only a small part of the economically inactive population consists of pensioners or beneficiaries of early retirement of working age.

To engage the economically inactive population in the labour market, comprehensive policies are required that promote gender equality in education and employment, support persons with disabilities, and encourage shared household responsibilities to enhance economic participation across all groups.

## Wages

Table 7 shows the average monthly accrued wages of workers in Turkmenistan, broken down by gender from 2015 to 2023, in manats.

As seen from this table, the average monthly accrued wages of all workers have shown consistent growth over many years, from 1,150.3 manat in 2015 to 2,216.2 manat in 2022.

At the same time, there is a noticeable gender pay gap: men earned more than women throughout the entire period observed. In 2015, the average monthly accrued wage was 1,053.5 manats for women and 1,215.6 manats for men. By 2023, the average wage had increased to 2,301.9 manat for women and 2,611.9 manat for men. Although both men and women experienced substantial income growth, with men's growth rate slightly lower than women's, the wage gap remains.

The steady increase in average monthly wages indicates economic growth and inflation adjustment.

**Table 7. Average Monthly Accrued Wages of Workers in Turkmenistan from 2015 to 2023, by gender, in manats**

Year	Total	Women	Men
2015	1150.3	1053.5	1215.6
2016	1256.8	1163.2	1323
2017	1302.5	1152.8	1359.2
2018	1503.2	1411.3	1567.7
2019	1569.9	1494.4	1730.7
2020	1832	1711.9	1906.6
2021	2058.6	1882.1	2170.4
2022	2216.2	2087.5	2376.4
2023		2301.9	2611.9

Source: TurkmenStat. <https://www.stat.gov.tm/>; Also [https://turkmenistan.un.org/sites/default/files/2023-03/VNRofT\\_ru%202019%20copy.pdf](https://turkmenistan.un.org/sites/default/files/2023-03/VNRofT_ru%202019%20copy.pdf) (page 46)

## 3 INSTITUTIONAL STRUCTURE AND MANAGEMENT

The Ministry of Labour and Social Protection of the Population of Turkmenistan implements state employment policy in coordination with government authorities, employers, and trade unions under the framework of the President's Programmes.

Employment services ensure state guarantees in the field of population employment and deliver public services in accordance with Turkmenistan's legislation. Employment services engage with enterprises of all forms of ownership as well as with individual entrepreneurs. Importantly, their work is not limited to collecting information on job vacancies; when issuing job referrals, employment services monitor how enterprises and organizations fulfil their obligations. Additionally, employment services regularly organize job fairs.

The effective functioning of employment services is supported by strengthening their material base, computerization and technical equipment, and the development of statistical and information-reference systems.

Today, the population of Turkmenistan has a wide choice of employment options that are not limited to state employment services. In job search, non-state services and online resources are actively used,

such as classified websites and specialized platforms. Among them, Saylanan.com and Gerekli.com, stand out as some of the largest portals where people post job vacancies and resumes. Social media also plays an important role, particularly the IMO messenger, where numerous groups facilitate informal yet highly effective information exchange regarding job opportunities. Additionally, private recruitment agencies that specialize in finding staff for specific companies. These resources complement the work of public services by providing a wider choice and flexibility in job search, especially for young people who actively use the internet, and contribute to the development of the labour market by making the employment process more efficient and transparent.

Increasing the efficiency of employment services is linked to the need to align existing forms and methods of ensuring employment provision with the transition to a digital economy and the development of market relations, as well as the introduction of technological innovations using digital solutions and new methods of labour market regulation. These policies aim to actively facilitate the employment of the unemployed population, particularly youth, by all available means.

In order to comprehensively manage state youth policy, the Magtymguly Youth Organization was established in 1991. The current functioning of the Committee on Science, Education, Culture and Youth Policy in the Mejlis of Turkmenistan, the Department of Youth Policy in the Ministry of Education of Turkmenistan, and the Department of Youth Policy in the Cabinet of Ministers of Turkmenistan indicates that youth policy is one of the strategic directions of state policy and reflects a comprehensive approach to these issues.

The Constitution of Turkmenistan guarantees all citizens the right to work, to freely choose their profession and occupation, and to healthy and safe working conditions. The Law on Employment of the Population and the Labour Code of Turkmenistan were developed on the basis of this constitutional principle. In its policy of creating conditions for decent work, Turkmenistan is committed to the eight ratified fundamental conventions, two governance conventions and one technical convention of the International Labour Organization (ILO) as well as the Sustainable Development Goals. In terms of international cooperation, the Ministry interacts with the International Labour Organization and the International Organization for Migration, and Turkmenistan has concluded agreements and memoranda of understanding and regulation in the field of labour with a number of states.

The Law of Turkmenistan “On Employment of the Population”, adopted in 2016, defines the legal, economic and organizational basis of state policy in the field of population employment. It aims to ensure citizen’s constitutional right to work, protect against unemployment, and establish state guarantees in the employment sphere. The Law guarantees state support in employment to those in need. Article 7 specifically provides state guarantees to young professionals seeking their first job, alongside other categories. Another key aspect of Turkmenistan’s employment policy is the development of inclusive employment, with an emphasis on promoting youth employment, labor rehabilitation and integration into employment for people with disabilities.

Youth employment and job placement, as priority areas of state policy, are explicitly reflected in the “Program for the Revival of a New Era of a Powerful State: National Programme for the Socio-Economic Development of Turkmenistan in 2022–2052” and the Programme of the President of Turkmenistan for the Socio-Economic Development of the Country in 2022-2028. Since 2018, the Interagency Commission on the Employment of Young Specialists has been operating in Turkmenistan. In August 2017, the President of Turkmenistan signed a decree establishing an Interagency Commission on the Employment of Young Professionals in Turkmenistan and approving its composition. The Commission’s functions include analyzing national legislation regulating the employment of young specialists, improving regulatory legal acts in this area, modernizing the domestic personnel training system, regulating the procedure for registering citizens studying abroad, continuing efforts to develop professional skills among young people and creating a comprehensive specialization system.

Subordinate legal acts developed by the Ministry of Labour and Social Protection of the Population of Turkmenistan (State Employment Services) to support labour market integration:

- The registration, placement into employment and deregistration of citizens seeking work is carried out in accordance with the requirements of the “Regulations for the Registration,

Employment And Deregistration of Persons Seeking Work”, registered by the Ministry of Adalat on 12 October 2018 under No. 1163.

- Professional training, retraining and upgrading of skills for unemployed persons and citizens seeking employment are carried out in accordance with the “Regulations for Professional Training, Retraining and Upgrading of Qualifications”, approved by Order No. 130-Ö of the Minister of Labour and Social Protection of the Population of Turkmenistan dated 1 October 2019, in the following cases:
  - when it is impossible to find them suitable employment due to absence of professional training or the required qualification;
  - when their qualification needs to be changed due to the lack of jobs corresponding to their experience;
  - when they have lost the capacity to perform work in their previous occupation.
- “Regulations on Organization of Measures for Providing Existing Vacant Jobs to Citizens Seeking Employment”, approved by Order No. 3-Ö of the Minister of Labour and Social Protection of the Population of Turkmenistan of 6 January 2016.
- “Programme for the Adaptation of Young People to the Labour Market and the Improvement of their Employment in Turkmenistan” and the Action Plan for its implementation, adopted in 2019.
- “Programme on Youth Adaptation to the Labour Market and the Improving Youth Employment in Turkmenistan” and the Action Plan for its implementation, adopted in 2019.
- “Regulations on the Procedure for Establishing Quotas for Employers to Employ Citizens Requiring Special Support and Unable to Compete Equally in the Labour Market”, approved by Order No. 2-Ö of the Minister of Labour and Social Protection of the Population of Turkmenistan of 6 January 2016. In order to ensure employment for citizens in need of social support, children-orphans and first-time job seekers are included in this category of citizens. Currently, this quota amounts to 2–5 per cent of the number of persons employed at the enterprise. In each etrap (district) and city, under the hakimliks there are commissions that review applications from such citizens and assist them in finding employment.
- The “Regulations on the Organization of Paid Public Work” registered by the Ministry of Adalat of Turkmenistan under No.1431 dated 15 January 2021 and approved by Order of the Minister of Labour and Social Protection of the Population of Turkmenistan.

In the new edition of the Law of Turkmenistan “On State Youth Policy”, adopted in September 2022, it is stated that youth comprises citizens of Turkmenistan aged between 14 to 35.<sup>4</sup> This Law, published in the Vedomosti of the Milli Gengesh of Turkmenistan for 2022 (No. 3, Art. 85), with amendments dated 16 March 2023 (No. 541-VI), defines the age limits within which state support and initiatives aimed at developing and protecting the rights of the younger generation are implemented.

## 4 ACTIVE LABOUR MARKET POLICIES FOR YOUTH

### Classification of Active Labour Market Policies

Turkmenistan implements a comprehensive policy to integrate youth into the labour market, using both traditional and innovative approaches. Although these policies primarily target young people, they are also aimed at all unemployed persons, regardless of their age. The main policies focus on enhancing professional skills, providing financial incentives, and developing entrepreneurial abilities.

<sup>4</sup> Law of Turkmenistan “On State Youth Policy” (New Edition) (Gazette of the Milli Gengesh of Turkmenistan, 2022, No. 3, Art. 85) (As amended by the Law of Turkmenistan No. 541-VI dated 16 March 2023).

## Traditional Employment Promotion Policies

Programmes implemented through the regional branches of the Ministry of Labour and Social Protection of the Population of Turkmenistan are aimed at skills upgrading and job placement assistance. They include:

- **Professional training and retraining:** These programmes assist unemployed citizens and job seekers to learn new, in-demand professions. In-demand professions are identified based on labour market analysis, in particular through the collection and review of job vacancies submitted by employers to the regional offices of the Ministry of Labour. Funding is provided both from the state budget and from employers' own funds where training takes place at the enterprise. The duration of such courses depends on the complexity of the profession and ranges from 3 to 6 months.
- **Monthly job fairs nationwide:** These are organized to facilitate direct contact between job seekers and employers. These events provide access to vacancy information and the opportunity to attend interviews.
- **Paid Public Works:** These provide temporary employment for the unemployed persons, helping them to earn income and maintain employment record. Wages in this case are paid by the employer. The duration of such work depends on the type of project and its funding, but generally does not exceed 3 months.

## Targeted Measures to Support Youth and Entrepreneurship

The Government provides financial incentives targeted exclusively at young people (aged up to 35), thereby emphasizing the priority of this demographic group.

**Tax Incentives:** Young specialists who take up employment receive a substantial reduction in income tax: 50% in the first year and 25% for the following two years. Similar tax concessions are granted to youth-led enterprises where over 75% of employees are under 35.

**Grant support:** The Ministry of Finance and Economy of Turkmenistan, together with international organizations, provides grants and concessional loans to young entrepreneurs, fostering the development of start-ups and the creation of new jobs.

## Statistical Data and Policies for Youth

Currently, monthly and quarterly statistical reporting is conducted on vacancies and jobs created. However, publicly available data on participation in these programmes disaggregated by age, in particular on the share of young people – are not provided. This lack of disaggregated information makes it difficult to quantitatively assess their effectiveness.

Nevertheless, Turkmenistan has implemented a number of targeted policies aimed exclusively at youth. In addition to the tax incentives mentioned above, the increase in the upper age limit for youth from 30 to 35 years has automatically expanded the group of eligible people who can take advantage of state programmes and benefits, which emphasizes the priority of supporting young people in state policy.

## Modern Approaches and Challenges

In the context of digital transformation, Turkmenistan focuses on developing digital skills among youth. Programmes are being introduced to teach programming, web design and digital marketing.<sup>5</sup> It is noted that such policies contribute to increasing the competitiveness of young people in the labour market.

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<sup>5</sup> See further the reports on employment support project (<https://www.undp.org/content/undp/en/home.html>)

Despite the existence of active policies, publicly available data on their effectiveness, coverage, and employment outcomes are not provided. This makes it difficult to carry out a quantitative assessment of their impact. However, international organizations note that participation in such programmes increases employment opportunities, although overall coverage remains relatively low.

- **International Labour Organization (ILO):** Reports and publications on Central Asia (<https://www.ilo.org/asia/countries/turkmenistan/lang--en/index.htm>)
- **World Bank:** Reviews on Turkmenistan (<https://www.worldbank.org/en/country/turkmenistan>)

## 5 EFFECTIVENESS AND IMPACT OF ACTIVE LABOUR MARKET POLICIES

Issues related to youth employment has become a particularly relevant in Turkmenistan, as in many other countries. In Turkmenistan, in 2023, the share of young people under the age of 35 accounted for 52.7% of the total number of citizens who applied to regional Labour and employment offices in search of work, compared to 42.7% in 2021 and 43.7% in 2022, which is 10% more than in 2021 and 9% more than in 2022.<sup>6</sup>

To better understand the situation in the youth segment of the labour market, it is important to analyze the situation with regard to labour-force supply. Given that job seekers generate the potential for supply in the labour market, it is essential to examine the distribution of registered young job seekers by education, age and qualifications.

Among the total number of registered citizens seeking employment in Turkmenistan, men accounted for 58.5% in 2021, 57.9% in 2022, and 57.8% in 2023. These data indicate that unemployment is predominantly characteristic of men. Men also constitute a large proportion of registered 35-year-old citizens. Among all persons who approached employment services in search of work, the proportion of men under the age of 35 was 57.5% in 2021, 55.4% in 2022 and 55.8% in 2023. Men also predominate in the total number of employed 35-year-olds. Among young people who applied to employment services in search of work in 2021, the following were employed: men – 48.8% (women – 38.6%); in 2022: 61.4% of men (52.5% of women); and in 2023, 70.8% of men (67% of women).<sup>7</sup>

The smaller number of women compared with men among those seeking work and among those placed in employment, can be explained by the reproductive function of women under the age of 35.

Employment of a large percentage of youth can be regarded as a positive outcome of a number of active policies implemented to regulate situations arising in the labour market. Among these policies are the work carried out by the provincial, city and district labour-and-employment subdivisions of the Ministry of Labour and Social Protection of the Population of Turkmenistan on professional training and retraining of job seekers, monthly job fairs, and paid public works.

<sup>6</sup> TurkmenStat. <https://www.stat.gov.tm/>

<sup>7</sup> TurkmenStat. <https://www.stat.gov.tm/>

An analysis of vacant positions make it possible to examine current labour market demand for workforce. The main source of data for this analysis is information on job vacancies, which is compiled quarterly by the Ministry of Labour and Social Protection of the Population of Turkmenistan. Based on this information, an analysis was carried out of the distribution of job vacancies by region, professions and positions in Turkmenistan as of 1 October 2023 and 2024.

The data from the analysis conducted by the Labour Resources and Employment Department of the Ministry of Labour shows a 2.3% increase in the number of vacant positions in 2024 compared to the corresponding period in 2023. This situation can be explained by the annual creation of new jobs as a result of the country's active investment policy. Thus, in 2022, more than 6,000 jobs were created, and in 2023, 11,373 new jobs were created.

When analyzing the distribution of job vacancies by profession as of 1 October 2023, the number of vacancies requiring higher professional education accounted for 33.2% of the total number, and in the corresponding period of 2024, this figure increased to 35%. The number of vacancies for professions requiring secondary and primary vocational education increased from 48.4% to 50.6%, while the number of vacancies for professions not requiring vocational education decreased from 18.4% to 14.4%. This development trend in the labour market should be taken into account when making decisions related to labour-market regulation.

There are more unfilled vacant positions in institutions and enterprises located in Ashgabat and Balkan velayat than in other velayats and in the city of Arkadag. To understand the situation, it is important to examine the reasons for the vacancies. Analysis of vacancy data compiled quarterly by the Ministry shows that among all the reasons for current unemployment, the shortage of specialists is the most prevalent. In this regard, the distribution of available vacancies by occupational level and professions provides a deeper understanding of the reasons for this situation.<sup>8</sup>

In 2024, as in 2023, most of the vacant positions belong to leading specialists (47% on average) and service workers (46% on average). The analysis carried out yielded the following results:

- Firstly, when enterprises provide information on job vacancies by profession, it is recommended that companies specify the names of professions accurately, in accordance with the State Classifier of Professions and Positions of Employees of Turkmenistan. This is an important source of information for analyzing labour market issues and forecasting demand for specialists;
- Secondly, in accordance with current legislation, enterprises have the right to contact local labour and employment departments for assistance in filling existing vacant positions. However, it is a common situation that the education background of job seekers registered with employment services does not always correspond the requested profession. For this reason, in the context of rapid economic changes and employers' evolving requirements for the professional skills of employees, there is a need to identify and implement more effective methods to meet these requirements. This situation, in the first instance, confirms the existence of a weak link between the labour market and the education market, highlighting the need to create a mechanism to strengthen that connection.
- Thirdly, diversification of the national economy, leading to increased awareness among employers, employees, job seekers and those just starting their careers about changes taking place in the labour market, is beneficial for all these stakeholders. In this regard, in order to gain access to information about potential changes in the structure of the workforce in Turkmenistan, it is considered to introduce and include in the form of the quarterly report an additional indicator on expected future vacancies and the skills required for them.

Indeed, it is important to consider the extent to which these policies reach vulnerable groups and help them find employment. According to the analysis, although there are skills upgrading and retraining programmes, publicly available data on their effectiveness, coverage and employment outcomes are not provided. This hinders a quantitative assessment of their impact, particularly on vulnerable groups

<sup>8</sup> Ministry of Labour and Social Protection of the Population of Turkmenistan. Official website. Available at: <https://mlsp.gov.tm/>

such as young people with low levels of education or women with certain qualifications. Thus, despite the existence of policies, their effectiveness remains questionable due to the lack of public statistics on participation and outcomes, making it impossible to accurately determine how well they help people find jobs and whether they reach the most disadvantaged population groups.

## 6 PROBLEMS AND GAPS

An analysis of the labour market in Turkmenistan reveals a number of problems and gaps that hinder the effective integration of youth, despite existing government support policies. These shortcomings point not only to general labour-market challenges, but also to specific weaknesses in the implementation of Active Labour Market Policies (ALMP).

One of the key gaps is the mismatch between the skills possessed by young people and the requirements of the labour market. This is not a result of active policies, but rather the main reason why such policies are necessary. Dominance of general secondary education: The overwhelming majority of unemployed youth (86.7%) have only a general secondary education. This indicates that there are not enough opportunities in the labour market for people with basic education, while jobs increasingly require specialized or higher qualifications.

### Problems with Coverage and Participation in Programmes

Despite the existence of programmes, their coverage remains extremely low, which is a major obstacle to youth integration.

- Extremely low referral rates to training: In 2023, only 0.4% (108 out of 23,900) of unemployed people with general secondary education were referred to vocational training. This figure shows that the programmes do not reach a significant part of the target audience.
- Limited participation: Given that over 50.8% of registered unemployed people have no professional education, there is a huge gap between the need for retraining and the actual number of people receiving this support.

### Gender Inequality

Gender inequality remains a significant issue in the labour market for youth:

- Persistently high unemployment among young women: Young women consistently face higher unemployment rates than men. In 2022, 7.5% of young women were looking for work, compared to 5.2% of young men.
- Gender gap in unemployment by level of education: Among unemployed young men, 6.9% have higher professional education, while among women this figure is only 2.7%. At the same time, there are significantly more young women (3.4%) than men (0.2%) among the unemployed with vocational education.
- Gender gap in wages: Throughout the observed period (from 2015 to 2023), men earned more on average than women-

### Difficulties in Assessing Effectiveness

The effectiveness of existing employment programmes is difficult to assess due to a lack of publicly available data:

- Limited availability of data: Despite monthly and quarterly statistics on job vacancies, publicly accessible information on programme participation broken down by age is not provided. This makes it difficult to assess the impact and effectiveness of youth programmes.
- Lack of feedback: There is insufficient information on how successfully young people obtain decent jobs after participating in programmes. This prevents the identification of gaps in service delivery or determination of which youth groups need additional support.

## 7 CONCLUSION

Key steps towards better integration of youth into the labour market include expanding private sector participation and establishing closer cooperation between all the stakeholders interested in youth employment and development. It is precisely this close cooperation and coordinated efforts between authorities, employers, trade union, local governments and youth themselves that will help to create a more robust and inclusive economic environment for young people.

The review of the labour market situation and of active labour-market promotion policies has highlighted the following aspects:

- The country is witnessing a rise in youth unemployment and in the share of youth who are not participating in the labour force.
- The financing system for Active Labour Market Policies (ALMP) is not sufficiently responsive to labour market conditions, and its funding model does not reflect the pace of change. In particular, the high concentration of unemployed youth with general secondary education (86.7%) and the low employment rate of young women with vocational-technical education indicate the need for more targeted and flexible ALMP interventions, capable of allocating resources and programmes more effectively in accordance with regional and gender-specific labour market needs.
- There are positive examples of innovative approaches to employment support, including the use of digital technologies. These merit further study, as the implementation of any new active policy measures will require a reassessment of funding levels.
- The potential of digital technologies for labour market intermediation is currently underutilized. There is no unified information space, no possibility for online registration, and such policies are not established at the legislative level.
- Insufficient attention is given to the consolidating statistics on work with youth; data are not systematically analysed or published.

The analysis shows that in Turkmenistan there are significant gaps and difficulties that reduce the effectiveness of active labour market policies (ALMP) for youth and complicate their transition from education to employment.

### Proposed Measures for Policy Improvement

Based on the above, the following recommendations can be formulated:

1. It is necessary to expand the range of Active Labour Market Policies (ALMP) to support youth employment, study the experiences of other countries, and adapt and implement innovative practices. In this regard, expert support from development partners is highly important and should be requested, along with the proposal of new projects.
2. Reform of employment related legislation should be continued, taking into account the introduction of new directions in active labour market policy, with a focus on youth interests. In addition, the financing mechanism for active labour market policies should be reviewed.
3. To expand opportunities for information and outreach activities and for the provision of remote services to the population, with an emphasis on youth, through the use of digital tools and platforms. This will require the modernization of the management structure of employment services to create a section or department for the development of digital services.
4. Training of employment service staff, particularly pre-career guidance and counselling, should become a priority of human-resource policy. It is necessary to review the work of these services taking into account the principles of client-centred approach and to technically upgrade them so that they meet modern standards, especially in youth-oriented service delivery.
5. Given the low level of professional skills among unemployed youth, programmes on career guidance, vocational training, and career development should be expanded, with an emphasis on

quality and interaction with employers, including more practical training and apprenticeships oriented towards the needs of employers.

6. It is necessary to develop and implement mechanisms for evaluating the performance of employment services and to link its results to the system of material incentives for employees. Statistics should be developed and data published, especially disaggregated by youth.

Implementation of these measures will require coordinated efforts by all stakeholders: government authorities, employers, trade unions, local administrations, and the youth themselves. Precisely this close cooperation will help create a more robust and inclusive economic environment for youth.

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