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## DEMOGRAPHIC TRENDS AND THEIR IMPACT ON THE LABOR MARKET OF UZBEKISTAN

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### ABSTRACT

*This article examines the demographic trends of Uzbekistan that have formed over the past 10 years. The issues of their influence on the labor market are discussed. The questions of the structure of the population by sex and age are considered. The comparison of fertility and mortality rates by regions shows that a low birth rate and a high death rate in the city of Tashkent will soon cause tension in the labor market in terms of labor supply, if not internal migration.*

**KEYWORDS:** *Labor Market, Demographic Situation, Population Size, Dependency Ratio, Potential Replacement Rate, Digital Economy.*

### INTRODUCTION

Labor market is a set of economic, demographic and legal issues, in this connection, the analysis of the demographic situation in the country is an important part of its research.

The population of the country is both buyers of goods and services, and sellers and buyers of labor to produce goods and services. The economically active population of the country participates in the process of creating the gross national product, national income. In this regard, the study of the characteristic features and trends of demographic situation in the country, the

number and composition of the economically active population, its share in the total population of the country and other indicators is of scientific and practical interest.

The demographic situation characterizes the general trends in the demographic and reproductive behavior of the population at the national level. The leading elements in the concept of demographic trends are the reproductive behavior of the population, as a factor influencing changes in the demographic processes of the country, which determines its analysis in the study of the demographic situation.

The qualitative approach to the study allows us to determine the correspondence between the available labor resources and the needs for labor in the labor market and the impact of demographic changes on the growth of the country's economy, the development of entrepreneurship and vocational training.

### RESEARCH METHODOLOGY

The methodological basis of the study was the official statistical material, legislative and regulatory documents related to the labor market in Uzbekistan. Methods of deduction and induction, observation, analysis and synthesis are used.

### Analysis and results

Demographic trends in population growth rates, territorial distribution, and population structure are interrelated with socio-economic factors. The decline in the number of young people entering the labor force, the aging of the economically active population, and others inevitably affect the state's employment policy. Under the influence of the pace and nature of technological innovations, changes in production management methods within enterprises, transformation and change in the significance of the concept of "labor force, labor service", the behavior of workers in the labor market is changing.

The dynamics of the population of Uzbekistan is characterized by the following indicators (table1.)

**TABLE1 DYNAMICS OF THE POPULATION OF UZBEKISTAN FOR THE PERIOD FROM 2010 TO 2020 (AT THE BEGINNING OF THE YEAR)**

Name of indicators	2010 y.	2015 y.	2017 y.	2018 y.	2019 y.	2020 y.
Population (in thousands)	28001,4	31022,5	32120,4	32656,7	33255,5	33905,2
Annual growth (in thousands)	468,0	529,7	545,1	536,2	598,9	649,7
Growth rates, in % to the base period	100	110,8	114,7	116,6	118,8	121,1

At the beginning of 2020, the population of Uzbekistan was 33905.2 people. The country has a stable trend of increasing the population. The annual population growth averaged more than

579.2 thousand people. If in 2010 the population growth was 468.0 people, then in 2019 – 649.7 people. The growth rate of the population of Uzbekistan during the study period was 121.1%.

According to the definition of UN experts, the published report on the demographic situation on the planet says: "In Central Asia, there are two opposite trends: relatively stable in any scenario, Kyrgyzstan, Kazakhstan and Turkmenistan, and more dynamically growing Uzbekistan and Tajikistan".<sup>1</sup>

The increase in the population in Uzbekistan occurs under the influence of a number of reasons: historical, socio-economic and, especially characteristic of the republic, demographic factors that are directly related to each other.

According to the UN forecast, at the turn of 2057-2058 about 50 million people will live in Uzbekistan, and by 2100 the population may reach 65 million. From the perspective of the labor market, this causes a lot of stress associated with the task of creating jobs and ensuring employment for the population.

In the course of analyzing demographic processes, we studied the structure of the population according to one or another attribute (gender, age, place of residence, etc.)

**TABLE2 AGE COMPOSITION OF THE POPULATION OF UZBEKISTAN (AS A PERCENTAGE OF THE TOTAL POPULATION)<sup>2</sup>**

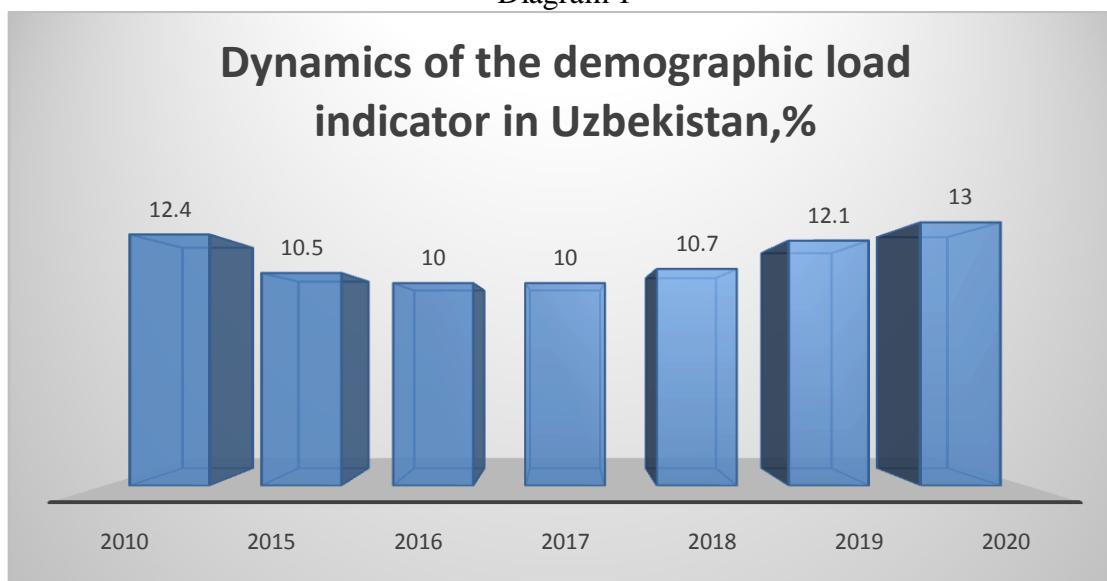
Population	Years					
	2010	2015	2017	2018	2019	2020
Under working age	29,9	28,2	28,5	28,6	28,9	29,1
In the working age	64,3	65,2	64,3	64,0	63,3	62,7
Overworking age	5,8	6,6	7,2	7,4	7,8	8,2

More than a quarter of the population of Uzbekistan is children under 14 years of age. Although, compared to 2010, this indicator decreased from 29.9 % to 29.1 % in 2019. The share of the working-age population (from 16 to 54 years of women and up to 60 years of men, respectively) is continuously decreasing. The downward trend in the indicator is such that if in 2010 its value was 64.3%, then at the beginning of 2020 it was 62.7%. The aging of the economically active population leads to a surplus of unskilled labor over the age of 50 due to age-related inability to new functions in the context of the digitalization of the economy.

A clearly opposite trend is observed in the dynamics of population growth over the working age. The share of the population of Uzbekistan over the working age is certainly increasing. In 2010, the indicator was 5.8 % and, constantly increasing, reached 8.1 % by the beginning of 2020. This is primarily due to the increase in life expectancy in Uzbekistan.

One of the characteristics of the age composition of the population is the demographic load, which is the ratio of the population of disabled age to the population of working age.

Diagram 1

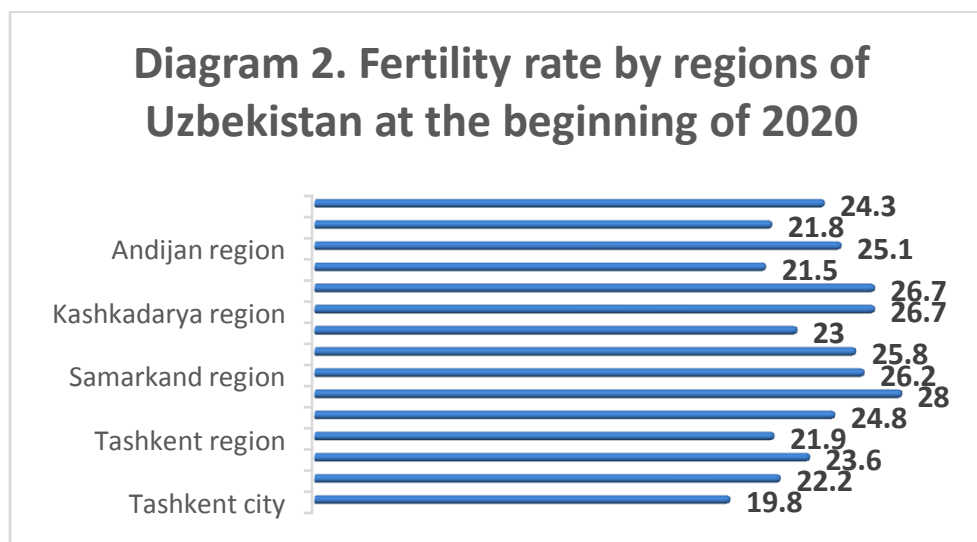


The growth of the demographic ratio directly increases financial spending on social policy in the state (construction of educational institutions, social protection, health care, pension payments, etc.)

The potential replacement rate (child load) reflects the ratio of the population below the working age to the working age population. The potential replacement rate for Uzbekistan in 2019 was 38.7%.

The reproductive behavior of the population varies by region of Uzbekistan. This is a leading element that forms changes in the demographic processes of the country, and therefore its analysis is a key point in the study of the demographic situation.

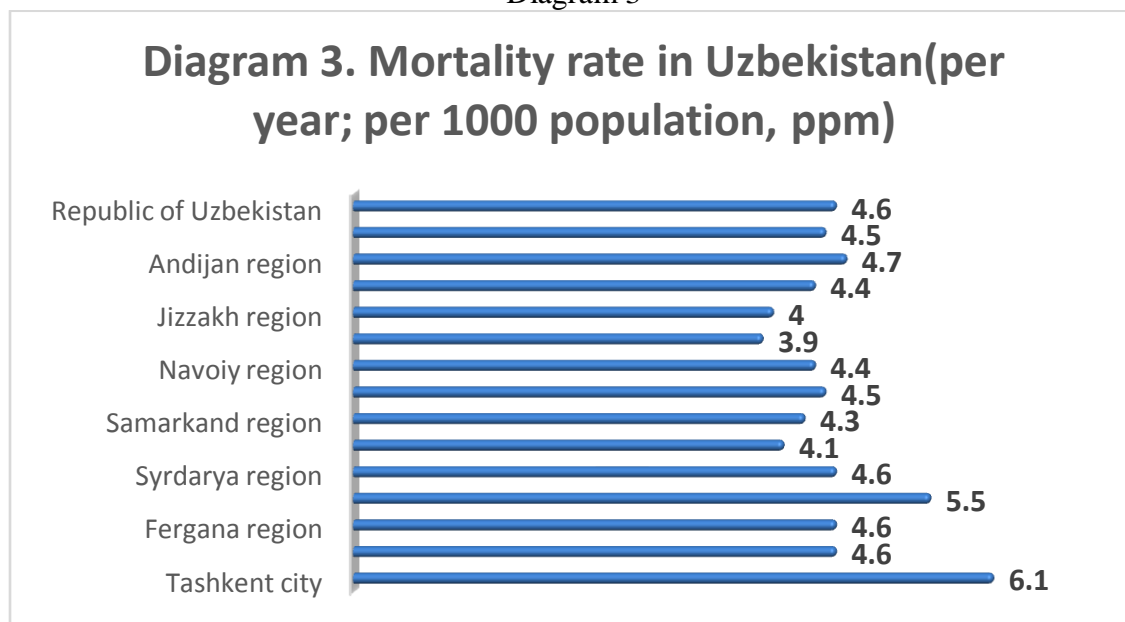
Diagram 2



Analyzing the territories by the birth rate, we can say that the highest birth rate is in Surkhandarya region (28.0), the lowest-in the city of Tashkent. The average birth rate in Uzbekistan in 2019 was 24.3.

The death rate in Uzbekistan at the beginning of 2020 was 4.6 ppm and, compared to the same period in 2019, decreased by 0.1 ppm.

Diagram 3



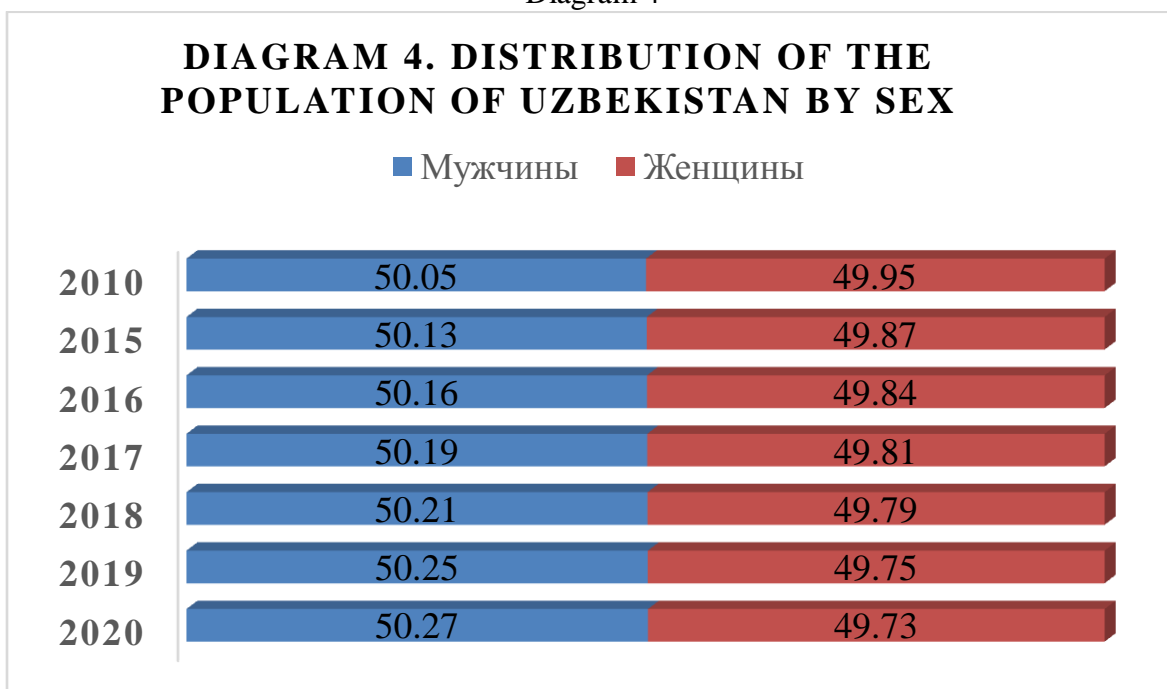
The mortality rate varies across the regions of Uzbekistan and ranges from 3.9 in the Jizzakh region to 6.1 in the city of Tashkent. The comparison of fertility and mortality rates by regions shows that a low birth rate and a high death rate in the city of Tashkent will soon cause tension in the labor market in terms of labor supply, if not internal migration. In the Surkhandarya region, on the contrary, there is a high birth rate and a relatively low mortality rate, which implies a surplus of labor in this region. These comparative characteristics are necessary for the development of employment programs for the regions of Uzbekistan.

The distribution of the population of the republic across the territory is uneven, and in terms of the average population density, Uzbekistan is ahead of a number of CIS countries. Due to the rapid growth of the population, its density per square kilometer of territory at the beginning of 2020 averages 71.5 people per square kilometer.<sup>3</sup>

**Average life expectancy in Uzbekistan is 72.5 years, which is higher than the average life expectancy in the world, which is about 71 years (according to the Population Division of the UN Department of Economic and Social Affairs).**

To study the impact of demographic trends on the labor market, it is necessary to study the indicators of population distribution by sex (Diagram 4.).

Diagram 4



Taking into account the national characteristics of Uzbekistan, it should be known that the female half of the population is mainly engaged in the reproductive function and the upbringing of children. Therefore, the development of the labor market is mainly focused on the employment of men.

The gender factor affects the change in the structure of the labor force, mainly on its active part. Currently, the position of women in the labor market is undergoing fundamental changes. The feminization of society changes the role of women in society, the value and role of the institution of the family, which is acutely manifested in the migration of women to international labor markets.

Uzbekistan systematically and consistently ensures the observance, promotion and protection of the rights of women and girls, taking into account the generally recognized principles and norms of international law, as well as the national interests, mentality and traditions of our people<sup>4</sup>. A separate article on equality between women and men is enshrined in the Constitution of the Republic of Uzbekistan, which provides women with equal opportunities for education, vocational training, employment and career advancement.

The Government pays great attention to strengthening the role and protection of women's rights. Laws on gender equality and protection of women from violence have been adopted, the proportion of women in parliament has increased (up to 32%), and they are being promoted to leadership positions at all levels of state and local government. In 2019, the Parliament adopted two important laws to protect women's rights: the Law «On guarantees with respect to equal rights and opportunities for women and men» and the Law «On protection of women from harassment and abuse», the purpose of which is to prevent harassment and violence in everyday life, at workplaces and in educational institutions, as well as to increase responsibility for the

commission of such acts. It is important to prevent violence against women and domestic violence, and to combat outdated customs and practices, including against minors.

Targeting by 2030 to ensure universal access to sexual and reproductive health services, including family planning and raising the age of marriage for girls under eighteen, and mainstreaming reproductive health into national policies and programs<sup>5</sup>.

Thus, we found that modern demographic trends are expressed in accelerated population growth, differences in the level and quality of life of the population between developed and developing countries, and an increased outflow of immigrants to developed countries. The territorial differentiation of the country in terms of the level of development of demographic processes creates the need to create models for the development of the labor market in the regions, the implementation of new approaches in management and the formation of an effective socio-economic policy for managing the factors of regional development.

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