

## Directions For Improving The Institutional And Economic Mechanism For Ensuring Population Employment

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### Abstract

*This article analyzes the issues of improving the institutional and economic mechanism for ensuring population employment in Uzbekistan. The study substantiates that employment provision should not be limited only to the creation of new jobs, but should also be based on the interaction of labor market infrastructure, public and private employment institutions, recruitment services, the education system, digital platforms, and regional employment programs. The article analyzes demographic, economic, institutional, educational-professional, regional, and technological factors affecting employment. It also develops proposals for strengthening cooperation between public employment services and private employment agencies, evaluating the effectiveness of employment services based on quality indicators, developing recruitment services, and expanding digital employment platforms.*

**Keywords:** Population employment, labor market, institutional mechanism, recruitment agencies, private employment agencies, formal employment, digital platforms, unemployment, human capital.

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### 1. Introduction

Ensuring population employment plays an important role in the sustainable socio-economic development of any country. The level of employment is directly related to household income, poverty reduction, effective use of human capital, rational distribution of labor resources across economic sectors, and the maintenance of social stability. Therefore, employment policy should be viewed not only as a means of reducing unemployment, but also as an important factor in economic growth, social protection, and human capital development.

In Uzbekistan, the issue of ensuring population employment is becoming increasingly relevant. This is due to the growth of labor resources, the increasing

number of graduates from higher education institutions, the rising labor activity of youth and women, and the development of digital technologies and new forms of employment in the economy. In the labor market, labor supply is formed through labor resources, the economically active population, and graduates of higher and vocational education institutions, while labor demand is determined by economic growth, investment, entrepreneurship, industry, services, and the development of the digital economy. Therefore, the balance between labor supply and demand is one of the key criteria in ensuring employment.

Existing analyses show that relying only on public employment services is not sufficient in the labor market.

In modern conditions, it is necessary to strengthen cooperation among private employment agencies, recruitment services, electronic vacancy platforms, vocational training centers, educational institutions, and employers. If labor market infrastructure is not sufficiently developed, available jobs may not be filled effectively; employers may face difficulties in finding qualified personnel, while jobseekers may struggle to identify suitable job opportunities.

From this point of view, the purpose of this article is to scientifically substantiate the directions for improving the institutional and economic mechanism for ensuring population employment in Uzbekistan.

**Methods**

The article uses methods of systematic analysis, comparison, generalization, logical analysis, and institutional approach. Through systematic analysis, the factors affecting population employment were studied in an interconnected manner. The comparison method was used to compare the functions of public employment services, private employment agencies, and recruitment services in the labor market. The institutional approach made it possible to analyze employment policy not only

through economic indicators, but also through the interaction of the legal and regulatory framework, state bodies, the private sector, educational institutions, and digital platforms.

The theoretical and methodological basis of the study consists of scientific approaches related to population employment, labor market infrastructure, private employment institutions, recruitment services, and formal employment. In addition, the article analyzes the priority tasks set out in legal documents, strategies, and presidential decisions regulating employment in Uzbekistan. In particular, the Constitution of the Republic of Uzbekistan, the Law “On Population Employment,” the Labor Code, the Law “On Private Employment Agencies,” the “Uzbekistan — 2030” Strategy, and the Development Strategy of New Uzbekistan for 2022–2026 were studied as the main legal and institutional foundations of employment policy.

**Results**

The results of the study show that the institutional and economic mechanism for ensuring population employment in Uzbekistan consists of several interconnected components. These include the following:

**Schedule-1**

Component	Content	Impact on employment
Legal framework	Constitution, Labor Code, Law “On Population Employment,” and other legal documents	Guarantees formal labor relations and labor rights
Public employment services	Registration of unemployed persons, provision of vacancies, vocational training	Reintegration of unemployed persons into the labor market
Private employment agencies	Mediation between jobseekers and employers	Increases the speed and quality of job placement
Recruitment services	Search, selection, and matching of candidates with employer requirements	Strengthens professional compatibility in the labor market
Educational institutions	Training, retraining, and professional development of personnel	Improves the quality of the workforce
Digital platforms	Connect vacancy and resume databases in real time	Reduces information asymmetry
Mahalla-based system	Identifies regional employment problems at the community level	Strengthens targeted employment measures

The analysis shows that institutional factors play a particularly important role among the factors influencing population employment. Employment assistance centers, private employment agencies, recruitment services, electronic vacancy platforms, and vocational training centers reduce information asymmetry between

employers and jobseekers and increase the effectiveness of the job placement process.

The article identifies that, under current conditions, the employment mechanism should be improved in the following directions (schedule-2):

**Schedule -2**

Direction for improvement	Implementation mechanism	Expected result
Cooperation between public and private employment institutions	Creation of a unified information exchange system among employment centers, recruitment agencies, and employers	The speed and quality of job placement will increase
Evaluation of employment service effectiveness	Introduction of indicators such as job retention duration, formal contract, wage level, and professional compatibility	Employment policy will be assessed based on quality indicators
Development of recruitment services	Introduction of a tripartite contract mechanism among the worker, employer, and recruitment agency	Service fees will be linked to actual job placement results
Integration of education and the labor market	Training personnel based on internships, apprenticeships, dual education, and employer demand	Graduate employment will increase
Regional employment programs	Formation of a balance between labor resources and jobs by region	Regional disparities will decrease
Digital employment platforms	Integration of vacancies, resumes, vocational training, and employer requirements into a single system	Information asymmetry will decrease

According to the research results, increasing only the number of employed persons is not sufficient for ensuring population employment. Employment policy should also take into account such quality indicators as the duration of employment, the existence of a formal labor contract, wage level, employment in accordance with one’s specialty, coverage by the social protection system, and labor productivity. This is because even if employment increases quantitatively, economic growth and household incomes may not rise sufficiently if labor productivity remains low.

Traditional approaches to employment provision in the labor market of Uzbekistan are often limited to registering jobseekers, offering available vacancies, and providing short-term vocational training services. However, the modern labor market requires a broader institutional mechanism. This is because the labor market is becoming structurally more complex: on the one hand, the number of graduates and young jobseekers is increasing; on the other hand, employers demand workers with higher qualifications, digital literacy, practical skills, and adaptability.

**Discussion**

Therefore, cooperation between public employment

services and private employment institutions should be brought to a new level. Private employment agencies and recruitment services have the ability to quickly identify employers' specific needs, select candidates, prepare them for interviews, and direct them to suitable jobs. They should be regarded not as competitors to public employment services, but as market institutions that complement them.

The introduction of a tripartite contract mechanism in recruitment services is of particular importance. In this system, relations among the jobseeker, recruitment agency, and employer are regulated transparently. The service fee is linked to the actual result of employment. This limits the practice of collecting fees from jobseekers in advance and encourages agencies to focus on achieving real employment outcomes.

In addition, the system for evaluating the effectiveness of employment services needs to be improved. In current practice, the number of people placed in jobs is often considered the main indicator. However, this indicator does not fully reflect the quality of employment. For example, a person may be formally placed in a job but leave after a short period of time, work informally, or be employed in a field unrelated to their specialty. Therefore, employment outcomes should be assessed using criteria such as formal labor contracts, wage levels, job retention duration, professional compatibility, and coverage by social protection.

Strengthening the integration between the education system and the labor market is also an important direction for improving the employment mechanism. In the context of a growing number of graduates, if their knowledge and skills do not meet employer requirements, structural unemployment may arise. Therefore, higher and vocational education institutions should align their curricula with labor market needs, strengthen internship and apprenticeship systems, and expand personnel training based on employer demand.

Digital employment platforms can also serve as an effective tool for reducing information asymmetry between employers and jobseekers. Such platforms should integrate vacancies, resumes, vocational training courses, regional labor market needs, and employer requirements into a single system. As a result, the job placement process will become faster, transparency will increase, and employment services will become more targeted.

## Conclusion

The results of the study show that improving the institutional and economic mechanism for ensuring population employment in Uzbekistan requires a comprehensive approach. Employment policy should focus not only on creating new jobs, but also on forming formal, stable, income-generating, and productive employment.

Based on the results of the article, the following scientific and practical proposals are put forward:

1. It is necessary to create a unified information and consulting system among public employment services, private employment agencies, recruitment services, employers, and educational institutions.
2. The effectiveness of employment services should be assessed not only by the number of people placed in jobs, but also by indicators such as job retention duration, formal labor contracts, wage levels, professional compatibility, and coverage by social protection.
3. It is advisable to introduce a tripartite contract mechanism in the activities of recruitment agencies. This mechanism coordinates the interests of the jobseeker, employer, and recruitment agency.
4. Cooperation between higher and vocational education institutions and employers should be strengthened through internships, apprenticeships, dual education, and personnel training based on employer demand.
5. Regional employment programs should be developed based on a differentiated approach, taking into account each region's labor resources, economic potential, and job creation opportunities.
6. Digital employment platforms should be developed to integrate vacancies, resumes, vocational training, and employer requirements into a unified system.

In general, the improved institutional and economic mechanism for ensuring population employment should be formed according to the following logical chain:

The practical implementation of this mechanism will contribute to balancing labor supply and demand in the labor market, reducing unemployment, increasing youth and women's employment, decreasing informal employment, and improving the living standards of the population.

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