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Article

Main Trends and Directions of External Migration

Salimov Sherzod Yunusovich[*1]

1. Tashkent International University of Financial Management and Technologies
* Correspondence: sh-salimov@mail.ru

Abstract: This study takes into account these macroeconomic conditions, but focus is shifted to the reasons for the change in migration processes in terms of poorly understood sociocultural factors that affect foreign labor migration and reintegration of labor migrants in Uzbekistan. The article is based on reports from specialized studies of foreign labor migration and employment conducted by the Ministry of Employment and Labor Relations of Uzbekistan, publications of studies by international organizations, and data from indepth interviews with migrants and their families. The research revealed that under the influence of macroeconomic conditions, the change in the sociocultural context in 2006–2019 contributed to expansion of the geography of migration flows from Uzbekistan, the emergence of such phenomena as the "feminization" of migration and its "rejuvenation" against the background of certain elements of egalitarianism in an initially patriarchal society.

Keywords: Labor Migration, Microcommunity, Sociocultural Factors, Feminization of Migration, Re-migration, Reintegration of Labor Migrants, Republic of Uzbekistan

1. Introduction

The labour market forms a critical segment of an economy, carrying implications not just for the fulfilment of population needs but also driving significant social impacts. Unemployment pervades this sphere as a commonplace and critical phenomenon that requires effective addressing.

In Uzbekistan, the government has foregrounded employment as a key area of focus in its policy considerations. It has taken decisive steps towards curtailing unemployment rates by fostering job creation, delivering training opportunities, and championing the cause of small businesses, to name a few of their interventions [1], [2].

The national unemployment rate currently hovers around the 9% mark. Although this figure stands higher than the global average unemployment rate, there is a silver lining to be found in the fact that the rate has been on a steady downward trajectory over the past few years.

A confluence of factors contribute to the unemployment issue in Uzbekistan, which include the dearth of educational and skill-based provisions, a scarcity of job opportunities in rural territories, and the so-called 'brain drain' of skilled workers. Nonetheless, the government of Uzbekistan continues its endeavour to tackle these challenges head-on. As such, there is a strong expectation that the unemployment rate will maintain its decline into the future.

2. Materials and Methods

The principal productive force in economic advancement is not the whole population, but merely that portion possessing a blend of physical and spiritual

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capabilities, which permits them to work. The notion of "labour resources" is delineated in overseas literature as "the segment of the nation's population that, regarding physical development, procured education, and professional qualification level, is capable of partaking in socially beneficial activities" [3].

In Uzbekistan, labour resources are interpreted as "the able-bodied population of working age as well as individuals younger and older than the working age." Labour resources encompass both the employed and unemployed able-bodied populace in the economy.

The regulation of working age demonstrates notable disparities across countries. As an illustration, the minimum working age in Pakistan begins at 12 years, increasing to 14 years in Kazakhstan, and slightly further to 15 years in Azerbaijan. On the other hand, Russia and the USA establish the limit at a slightly higher mark of 16 years.

In terms of retirement age, England sets it at 60 years for women and 65 years for men. However, this is in stark contrast to the USA, Germany, and Spain where the retirement age is uniformly established at 65 years for both genders.

The definition of working age in Uzbekistan provides another interesting comparison. The nation sets the working age from 16 years, extending to 54-55 years for women and up to 60 years for men. This showcases the varied approaches towards employment age limits globally [4].

In the able-bodied population, economically active and economically passive population is distinguished. The economically active population is understood as that part of the able-bodied population that is engaged in all types of activities (employed) or intends to participate in production (unemployed). The economically active population is smaller than the working-age population: it does not include the working-age population that is unwilling to participate in economic activities.

The synonym for the economically active population is the category of "labour force". The labour force consists of the employed, the unemployed and the so-called underemployed.

The economically inactive population, refers to the segment of the working-age population that is not presently engaged in social production. The economically inactive population includes: pupils, students, cadets studying in daytime educational institutions; not employed in production; persons receiving an old-age pension on preferential terms; persons receiving a disability pension. The economically inactive population is connected with the economically active population through mutual flows of labour resources, since there is a constant transition of part of the population from the state of economically active into the state of economically inactive and vice versa.

The labour market is a specific sector of the economy. This market, generally obeying the laws of supply and demand, has a number of significant differences from other commodity markets, because its subjects are living people. The role of the labour market in the economy of the state is enormous, as it "unites the worker with the means of production, regulates the distribution and redistribution of labour resources by industry and region, and opens up opportunities for workers to effectively use their physical and professional abilities, to realise their human aspirations".

Demand and supply of labour are categories of market relations between sellers and buyers of labour, expressing bilateral needs for labour and jobs.

The demand for labour must be coordinated by economic means, but the supply of jobs (labour) is more dependent on regional characteristics, in particular, on demographic processes, which increase the need for its social regulation. Monitoring of the labour market is an operational information and analytical system for monitoring the dynamics of the main indicators of the functioning of this market.

Monitoring requires a clear balanced work of all parts of the employment service, control and reporting, as well as the creation of an extensive information base that would include the following indicators:

1. The ratio of the total number of new vacancies for the period to the total number of new job offers is a measure of the "balance of supply and demand in the labour market."
2. The ratio of vacancies filled during the year from among those announced to the number of persons who found work from among those actively looking for it.

Market conditions for the formation of hired personnel have both positive and negative sides, that is, they increase the desire of employees to improve their skills, strengthen discipline, and contribute to and force an increase in labour intensity. At the same time, they give rise to fear and uncertainty about the future due to possible unemployment. It is this circumstance that poses the problem of regulating employment by different states by stimulating supply and demand in the labour market.

Unemployment is characterised as a group of individuals within a specific age bracket who, in the examined period, are jobless, currently fit for work, and actively seeking employment. This critical measure of economic health reflects the societal and individual hardship that unemployment can cause.

When scrutinising unemployment within the market economy context, it is crucial to dissect various types of unemployment. Differentiating between these forms typically hinges on the cause and duration of unemployment. Contemporary Western economic science recognises several distinct forms of unemployment, each having unique ramifications on the economic landscape.

Frictional unemployment arises when individuals are in transition between jobs, such as when entering the labour market for the first time or shifting roles within it. This unemployment type serves as a reminder of the dynamic nature of the labour market and underscores the importance of efficient job search mechanisms.

Structural unemployment transpires when there's a discrepancy between the workforce's skill set and the skills demanded by available jobs. It points towards the need for continuous education and training initiatives to keep up with rapidly evolving industry requirements.

Cyclical unemployment transpires during an economic downturn when businesses are compelled to reduce their workforce. This type of unemployment underlines the vulnerability of the labour market to broader economic fluctuations, necessitating robust safety nets.

Seasonal unemployment occurs when specific times of the year see a decrease in labour demand, such as in the construction industry during colder months. It emphasises the need for flexible work arrangements and alternative income sources during off-peak seasons.

Voluntary unemployment emerges when individuals choose not to work, despite being capable of doing so. Reasons for such a choice might include family care, disability benefits, or personal preference. This form of unemployment underlines the need to account for personal circumstances and choices in labour market analyses.

Based on the necessity to take into account the unemployed and take appropriate government measures to provide jobs for everyone, there are:

1. Registered unemployment, which reflects the number of unemployed citizens looking for work, ready to start it and registered with the state employment service;
2. Hidden unemployment, which manifests itself mainly in the form of a forced transition to part-time work and forced vacations (with partial pay or without pay) at the initiative of the administration.

The unemployment rate acts as a reliable gauge of the labour market's health. A heightened unemployment rate suggests a substantial proportion of the population is

jobless and seeking work, a potential indicator of economic turmoil. Conversely, a lower unemployment rate suggests fewer individuals are unemployed and searching for work, signifying a prosperous economy.

Delineates the unemployment rate as "the ratio of the labour force that is without work but available for and seeking employment."

3. Results

Economists leverage the construct of natural unemployment to delineate the existence of frictional and structural unemployment within an economy exclusively. Also referred to as normal or maximum allowable unemployment, the natural unemployment rate is achieved when cyclical unemployment zeroes out, and markets reach equilibrium—meaning the quantity of job seekers is equivalent to the volume of available job positions. If the number of job seekers surpasses the number of open vacancies, labour markets become imbalanced, culminating in an aggregate demand deficit and cyclical unemployment.

The correlation between unemployment and economic growth was the focus of research by the American scientist Arthur Okun, resulting in the identification of a pattern known as Okun's law. This law, also referred to as the law of the natural rate of unemployment, illustrates the potential losses linked with cyclical unemployment. Specifically, Okun's law asserts that if the actual unemployment rate is 1% higher than the natural rate, the disparity between actual GDP and potential GDP would be around 2-2.5%.

Discovered a negative correlation between the unemployment rate and the rate of economic growth, which means a high unemployment rate corresponds with a low economic growth rate and vice versa. Economists have since used Okun's law to calculate the costs of cyclical unemployment in terms of foregone output.

Elaborating on Okun's law, it's crucial to understand that it presents a significant link between the labour market and the overall macroeconomic performance of an economy. The law's implications are wide-ranging and profound. Policymakers and economists worldwide utilise it as a tool to frame effective economic and labour policies. Okun's law thus remains a key conceptual instrument in understanding the dynamics between unemployment and GDP growth, helping economists and policymakers make informed decisions to balance economic growth and unemployment levels.

In a fully-employed economy where unemployment is zero, maximum production is achieved. If unemployment rises due to a decrease in employment, output lessens. However, this decline is mitigated by factors such as resource availability, production efficiency, and demand. Consequently, unemployment's effect on output reduces as these other factors gain prominence. Hence, the unemployment-output relationship is non-linear.

During the years of independence, there have been large-scale and deep structural transformations both in the economy and in the field of employment. If in the early years the state sector accumulated more than 4/5 of the employed, today it is less than 20 percent in relation to the non-state sector. The prominence of small business development and private entrepreneurship, a primary focus of the national leadership, is integral in shaping the contemporary labour market. This sector encompasses approximately three-quarters of all employees, contributing over half to the gross domestic product (GDP) [5].

From 2015 to 2019, the economy of our nation saw the creation of over 6 million jobs, with a noteworthy 60 percent originating from the small business and private entrepreneurship sector. These figures indicate a significant transformation, suggesting an impressive dynamic that would be notable in any national context. Consequently, this sector now absorbs more than 75 percent of the country's total employed population [6], [7], [8], [9].

The shift in the population's employment structure has been a crucial determinant in the evolution of income structure. Over the last decade, income derived from entrepreneurial activities, properties, farming, and personal subsidiary plots has increased fourfold, constituting over 60 percent of the total household income. This shift towards a greater proportion of income from entrepreneurial activity aligns well with the strategic aim of enhancing the population's welfare and mirrors the realities of the evolving employment sector [10].

This transformation has been achieved through the targeted policy implementation of income generation, inflation counteraction, and employment area expansion. Consequently, there has been an annual rise in the population's nominal incomes by a third, and real income, once adjusted for the consumer price index, has seen an increase of 15-20 percent annually [11].

Wages remain the primary income source for a considerable portion of the employed populace. Thus, the country's leadership has mandated the government to ensure a steady increment in real salaries over the near term. Factors expected to contribute to this growth include intensification of production, labour productivity enhancement through enterprise modernization and technical upgrades, stringent financial, credit, and monetary policies, and payment system improvements that amplify salary incentives and more accurately account for labour activity characteristics and worker qualifications [12].

The substantial economic growth rate of over seven percent annually provides the material basis for new job creation across all economic sectors, with small businesses being the primary focus. Territorial employment programmes have played a crucial role, contributing to the creation of approximately 1 million jobs in the previous year, with small businesses accounting for 70 percent of this figure.

It's important to note, however, the highly mobile and dynamic nature of the labour market. Annually, over 450,000 individuals enter the labour market as they reach the working age or graduate from vocational schools; approximately 250,000 individuals reach retirement age and thus exit the labour market; and around 100,000 individuals transition due to structural transformations in the economy [13].

Home-based work is a growing trend in Uzbekistan, with a number of benefits for both employers and employees. For employers, home-based work can help to reduce costs, improve productivity, and attract a wider pool of talent. For employees, home-based work can offer flexibility, convenience, and the ability to balance work and family responsibilities [14].

The emphasis on home-based work by large-scale industrial corporations led to the creation of an impressive 274.2 thousand jobs in 2019 alone. The initiative has proven especially fruitful in rural sectors, with a handful of industrial entities establishing around a million jobs in 2019, thanks to well-conceived strategies. Moreover, the year 2022 promises a further expansion of these opportunities, with the rollout of benefits to businesses across all economic sectors that create roles for home-based workers, potentially adding an additional 280 thousand jobs. Table 1 below provides a concise snapshot of the current employment scenario and its unique features.

Table 1. Key Characteristics and Challenges of the Uzbekistan Labour Market.

Labour Market Features	Brief Description
Labour Supply & Demand	Oversupply leading to high informal sector employment and labour migration.
Job Seekers	Decreasing number of registered job seekers.
Youth Unemployment	Increase, with 54.5% of total unemployed being non-student youth (2012).
Demand for High-tech Jobs	Low demand; high-tech sector represents only 1.4% of employment.

"Working Poor"	Expansion due to low wages in public sector and small businesses.
Social Structure Changes	Emerging middle class imposes new demands on job quality and salaries.

It is clear that the basis of the new employment policy should be the creation of highly profitable and stable jobs. However, the question remains about the choice of specific instruments of the new employment policy, taking into account the fact that this is the area where any inaccurate steps can lead to significant social effects.

Labour migration, defined as the deliberate relocation of individuals seeking financial compensation and employment opportunities, represents a prevalent and meaningful contemporary phenomenon. While the concept of labour migration is historically deep-rooted, its current magnitude and qualitative aspects set it apart as a fundamentally new development. As cited from the International Organisation for Migration (IOM), in the year 2020, the global migrant population reached an estimated total of more than 200 million. Excluding refugees who make up about more than 7% of the total migrant count, the majority of these migrants can be categorised as labour migrants. Notably, over a third of this group comprises individuals transitioning from developing countries to developed ones.

Uzbekistan is experiencing a significant population growth, particularly in its labour force. While the overall rate of demographic growth has seen a decline in recent years, the expansion of the labour force continues unabated, owing to past demographic trends. According to the State Statistics Committee of Uzbekistan, between January and March 2021, the country's permanent population swelled by 82,300, reaching a total of about 3.5 million individuals [15]. This demographic pattern places considerable pressure on the labour market.

Labour migration within Uzbekistan has a long history, encompassing both internal movement, such as the so-called "hectare workers" travelling to southern regions to cultivate crops like onions and rice, and international migration. The legal framework supporting the rights of Uzbek citizens to engage in professional activities abroad is rooted in the "Law of the Republic of Uzbekistan on Employment of the Population," first enacted in February 1992. This legislation served to broaden the scope of labour opportunities and initiated the country's integration into the global economy and international labour markets. A subsequent edition of the law in May 1998 further extended the interpretation of the right to external labour activity for the citizens of Uzbekistan.

Labour migration is another way after international assistance and foreign investment to attract foreign currency to the republic. Labour migration has both positive and negative consequences. Migration has improved the social and economic situation in rural areas, reducing unemployment, stimulating market relations and raising living standards. As noted in the “Strategy for Improving the Welfare of the Republic of Uzbekistan”: “partially the problem of employment of the released labour force from rural areas, as well as unemployment in cities, is solved by the population itself through temporary labour migration of rural residents to cities, as well as rural and urban residents abroad. A survey conducted by the Living Standards Improvement Project (ELS) showed that, for example, in all surveyed districts, 10% to 27% of families had at least one family member who left to work. In most cases, migration had a positive effect on family income: the average income from a labour migrant in such families is around 5 to 10 times higher than other sources of income for the household.”

The number of labour migrants increases year by year. The modern period of labour migration differs from the previous ones in terms of scale, nature, and composition of participants. According to estimates made jointly with the Ministry of Labour, at present, at least 6-7 million people are covered by labour migration in Uzbekistan. Its most active

participants are students, young specialists, and skilled workers. The main flow of migrant workers is sent to Russia, a relatively small part - to Ukraine (mainly, these are Crimean Tatars).

4. Discussion

Citizens of Uzbekistan also work in such remote countries of the world as the USA, Israel, Greece, and other European countries. Many of the labour migrants involved in the shuttle business go to the United Arab Emirates, Turkey, and Iran for this purpose.

At the same time, citizens of other countries, in particular - Turkey, Korea, China, come to work in Uzbekistan, but their number is small. Uzbekistan is mainly a sending country, where the export of labour force significantly exceeds its import.

The scale of informal labour migration is difficult to determine, since it does not go through any forms of registration. Only indirect estimates can be made. Thus, the United States, for example, annually issues at least 5,000 visitor visas to citizens of Uzbekistan. If we take into account that 75% to 80% of those who left on them are labour migrants, then only in the USA about 4 thousand people go to work every year.

The demand of the population for work abroad is high: according to the Ministry of Labour, it exceeds hundred thousand people. The actual volume of registered labour migration absorbs only a small part of this demand, since there are great difficulties in concluding long-term agreements with foreign countries on the export of labour. In many cases, lengthy negotiations on these issues end up at the stage of agreements of intentions; a number of concluded contracts provide only small quotas for the employment of workers from Uzbekistan.

Labour migration of the Uzbekistan population is economically beneficial for both the country and its participants. With its help, an influx of hard currency into the country is ensured, tension in the labour market is reduced to a certain extent, especially in such densely populated regions as, for example, the Ferghana Valley. In addition, the entrepreneurial potential of the country is being strengthened, the number of mobile, enterprising people with practical experience in entering international labour markets is increasing. Thus, labour migration stimulates entrepreneurship, promotes the development of small business and trade. A considerable part of migrants who have returned home with good amount of currency invest them in starting their own business or an already functioning structure.

5. Conclusion

In establishing the principles and objectives of state policy on external employment, the focus should be on developing methods for the successful integration of Uzbekistan's population into the global community and workforce. The primary goals of this policy could encompass augmenting foreign currency inflow, fostering international labour cooperation, easing demographic strain on the local labour market, and enhancing the skills and competitiveness of the nation's workforce.

However, given the limited scope of the employment services market in Uzbekistan, there is a need to legalise private intermediaries who assist with overseas employment. With labour migration on the rise, it would be beneficial for Uzbekistan to join the UN's International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, ensuring legal protection for its citizens working abroad.

As President Shavkat Mirziyoev often stresses, the state should actively regulate the organisation of its citizens' overseas employment, aligning with the nation's interests. Key requisites for achieving this include a robust legal framework for temporary labour migration and enhanced regulation mechanisms.

Despite a legal foundation for labour migration in Uzbekistan, there is a need for continuous improvements due to increased international competition for labour.

Expanding agreements with other countries should be pursued not only by the Ministry of Labour but by other ministries, utilising their respective international contacts to liaise with potential employers.

Furthermore, an organisational structure larger than the current Republican Agency for Migrant Workers should be considered to better manage overseas employment. This could potentially involve establishing a Department of External Employment of the Population, with a corresponding management mechanism. Work towards this goal is currently underway..

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