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Effective Socio-Economic Mechanisms for Ensuring The Competitiveness of Unemployed Youth and Their Composition

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Abstract: The competitiveness of unemployed youth in the labor market is a fundamental concern for socio-economic stability and sustainable development, particularly in developing nations like Uzbekistan. Despite various policy initiatives, such as vocational education programs and employment incentives, many young people still face high unemployment due to mismatches between education and labor market demands, lack of skills, and limited institutional support. While multiple national and international programs aim to address youth unemployment, a lack of comprehensive evaluation of the effectiveness of socio-economic mechanisms hampers targeted policy development. This study aims to analyze and evaluate the effectiveness of mechanisms such as vocational retraining, startup support, grants, subsidies, and public-private partnerships in improving youth employability and reducing unemployment. Findings indicate that integrated approaches—combining financial support, educational alignment, digital literacy, and local infrastructure development—are most effective in increasing youth competitiveness. Mechanisms such as grants, mentorship, and startup incubation significantly contribute to innovation and job creation. The study presents a multidimensional policy matrix including coordination centers, digital platforms, and international collaborations tailored to Uzbekistan's context, offering replicable strategies for similar economies. Strengthening youth employment through strategic socio-economic mechanisms not only fosters individual development and reduces unemployment but also ensures broader social stability and economic resilience, highlighting the need for adaptive policy design and cross-sectoral cooperation.

Keywords: : unemployment, youth employment, competitiveness, socio-economic mechanisms, labor market, innovative potential, professional qualifications, state programs, startup, education and vocational system, public-private partnership, entrepreneurship development.

Citation: Qayumjon kizi, K. S. Effective Socio-Economic Mechanisms for Ensuring The Competitiveness of Unemployed Youth and Their Composition. American Journal of Economics and Business Management 2025, 8(5), 1897-1904.

Received: 10th March 2025

Revised: 25th March 2025

Accepted: 30th Apr 2025

Published: 04th May 2025



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1. Introduction

Today, ensuring the competitiveness of young people is of great importance not only for the development of society, but also for the entire economy. For developing countries like Uzbekistan, this issue is even more urgent, and effective social and economic mechanisms are needed to expand the opportunities for young people to enter the labor market and be recognized as a qualified workforce. The competitiveness of young people also plays an important role in ensuring social stability, increasing economic growth and national well-being.

Competitive youth, in turn, should have great opportunities to receive education, prepare for a profession, master new technologies, implement innovative ideas and find their place in the labor market. In order to create such opportunities, clear and effective mechanisms should be introduced in the social and economic system. These mechanisms include not only improving the education and training system, but also factors such as providing youth with employment, developing the social protection system, adapting to

the needs of the labor market and creating new jobs. Taking into account these factors, a system of mechanisms aimed at increasing the competitiveness of youth serves as a foundation for the economic and social development of society. With the help of socio-economic mechanisms, young people will have the opportunity to improve their professional skills, successfully operate in the labor market and contribute to the processes of sustainable growth in society. Such mechanisms include improving the education system, strengthening vocational training, supporting innovation, and increasing recognition in the labor market.

2. Materials and Methods

Research methodology. This study aims to identify effective socio-economic mechanisms for ensuring the competitiveness of unemployed youth[1]. The study uses mixed methods, which allows combining the strengths of quantitative and qualitative analysis[2]. Also, questionnaires, statistical analysis, focus groups, analysis and synthesis methods were widely used[3].

Literature review. Ensuring the competitiveness of unemployed youth is one of the pressing issues today not only in Uzbekistan, but also worldwide[4]. Within the framework of the topic, many local and foreign researchers have deeply studied socio-economic mechanisms and their structure[5].

Firstly, the analyses of economists A. Abdukodirov, M. Makhmudov, and R. Akhmedov on the labor market, unemployment, and increasing youth employment are of particular importance[6]. Their scientific works emphasize that the inextricable link between the education system and production plays an important role in ensuring youth employment[7]. In particular, it is shown that it is possible to increase the competitiveness of youth by adapting vocational education to the requirements of the modern economy[8]. Reports published by international organizations such as the World Bank, the International Labor Organization (ILO), and the United Nations Development Program (UNDP) extensively cover youth employment issues and mechanisms for addressing them[9]. For example, the ILO report "Global Employment Trends for Youth" lists labor market imbalances, skills mismatches, and job shortages as among the causes of youth unemployment[10]. Such reports allow us to compare the situation in Uzbekistan with international experience[11].

Also, the resolutions, decrees and government programs of the President of the Republic of Uzbekistan, in particular, the state program "Youth is our future" and the initiative "Every entrepreneur is a supporter of youth" serve as an important basis for attracting young people to economic activity and ensuring their competitiveness[12]. These documents define mechanisms for credit and financial assistance, tax incentives and support for innovative projects to ensure youth employment[13]. Based on the above, ensuring the competitiveness of unemployed youth requires the formation of effective socio-economic mechanisms[14]. These include: improving the education and vocational training system, supporting startups and entrepreneurship, developing infrastructure in the labor market, and strengthening cooperation between state and non-state organizations[15].

3. Results

In today's globalization and digital economy, the competitiveness of young people in the labor market directly depends not only on their individual potential, but also on the effectiveness of existing socio-economic mechanisms. Considering the example of Uzbekistan, although the state is implementing many measures aimed at ensuring youth employment, their implementation and effectiveness show mixed results.

Analysis shows that the main reasons for youth unemployment today include:

- a. The mismatch between education and the labor market - the specialties that many young people receive do not meet the requirements of the real sector.
- b. Lack of qualifications and skills - in a modern competitive environment, young people need to enter the market not only with a diploma, but also with real practical skills.

- c. Insufficient access to information - there is insufficient awareness among young people about jobs, vocational courses and other opportunities.
- d. Weak financial and institutional infrastructure - especially in remote areas, the necessary conditions for young people to start entrepreneurial activities are insufficient.

Table 1 presents statistical data on the number of permanent residents aged 20–24 across different regions of Uzbekistan from 2023 to 2025, alongside their corresponding literacy rates. The data is categorized by year (2023, 2024, and 2025) and by administrative regions, including the Republic of Karakalpakstan, Tashkent city, and all regional provinces such as Andijan, Bukhara, Samarkand, etc. Across all regions and years, the literacy rate for the 20–24 age group is reported at a consistent 100%, reflecting a uniformly high level of basic education. The population figures vary by region, with the Republic of Uzbekistan overall showing a slight population decline from 25,068,000 in 2023 to 24,595,600 in 2025. Notable regional trends include stable or modestly decreasing youth populations in each administrative unit. This table underscores the demographic weight of the youth cohort (20–24 years) and highlights the importance of addressing their employment and development needs, as they constitute approximately 6–7% of the total population.

Table 1. Number of permanent population aged 20-24 (thousand people) and their literacy rate (in %)

| Years | 2023 | | 2024 | | 2025 | |
|----------------------------|---------|-----|---------|-----|---------|-----|
| Republic of Uzbekistan | 2580680 | 100 | 2543972 | 100 | 2545956 | 100 |
| Republic of Karakalpakstan | 154344 | 100 | 153248 | 100 | 153322 | 100 |
| Andijan region | 228484 | 100 | 220915 | 100 | 219689 | 100 |
| Bukhara region | 139592 | 100 | 137692 | 100 | 138407 | 100 |
| Jizzakh region | 112245 | 100 | 111307 | 100 | 111408 | 100 |
| Kashkadarya region | 269396 | 100 | 267158 | 100 | 262112 | 100 |
| Navoi region | 71288 | 100 | 70835 | 100 | 71509 | 100 |
| Namangan region | 209709 | 100 | 206214 | 100 | 204734 | 100 |
| Samarkand region | 301593 | 100 | 300283 | 100 | 299453 | 100 |
| Surkhandarya region | 213980 | 100 | 209677 | 100 | 206855 | 100 |
| Syrdarya region | 67999 | 100 | 67065 | 100 | 67249 | 100 |
| Tashkent region | 201496 | 100 | 197547 | 100 | 201382 | 100 |
| Fergana region | 270368 | 100 | 262076 | 100 | 265800 | 100 |
| Khorezm region | 149067 | 100 | 147649 | 100 | 146998 | 100 |
| Tashkent city | 191119 | 100 | 192306 | 100 | 197038 | 100 |

As we can see from the table above, the population aged 20-24 in our country constitutes an average of 6-7% of the total population. This is certainly a high indicator that has a significant impact on the development of the country. It is also worth noting that the literacy rate of the population in this age group is 100%.

From this perspective, the following socio-economic mechanisms are considered the most important and effective in ensuring youth employment:

- a. Vocational guidance and retraining system - training in professions that meet the demands of the labor market, advanced training through short-term courses.
- b. Support for startups and youth entrepreneurship - helping young people start their own businesses through preferential loans, grants, and mentoring programs.
- c. Youth job fairs and platforms - modern digital systems that connect young people with employers.
- d. Cooperation between the public and private sectors - establishing a dual education system between manufacturing enterprises and educational institutions.

Based on the above analysis, the following main conclusions can be drawn:

- a. An integrated approach is needed to increase youth competitiveness - this process should not be limited to education or credit alone, but should be carried out in conjunction with social support, moral encouragement, and the promotion of a work culture.
- b. The education system should be aligned with the economic development strategy - it is necessary to identify professions that are necessary for the market and develop curricula on this basis.
- c. The development of local infrastructure has a direct impact on youth employment - creating conditions for entrepreneurship, especially in regions and remote areas, can provide many young people with jobs.
- d. Innovative approaches are important - digital platforms, remote work opportunities, freelancing, and IT programs open up new prospects for young people.
- e. Active cooperation between the state and non-state sectors is necessary - not only the government, but also the private sector, international organizations, and NGOs should be active in this process.

Table 2 outlines a structured set of proposals aimed at enhancing the employability and competitiveness of unemployed youth in Uzbekistan. The table is divided into five columns: Content of the Offer, Justification, Expected Result, and Implementation Tools. Each row presents a specific intervention, such as creating a vocational education system aligned with labor market needs, expanding vocational retraining centers, supporting youth startups, promoting employment through digital labor platforms, and enhancing local infrastructure in remote areas. Additional proposals include establishing grant programs in collaboration with international organizations and launching national digital training programs. The table provides a detailed justification for each proposal, expected outcomes (such as reduced unemployment, improved skills matching, and increased job access), and practical tools for implementation (e.g., coordination between educational institutions and industries, organizing fairs, digital coding schools, and grant-based international partnerships). This table serves as a strategic action plan for policymakers and stakeholders to address systemic barriers and promote youth integration into the labor market.

Table 2. Proposals to ensure the competitiveness of unemployed youth

| No | Content of the offer | Justification | Expected result | Implementation mechanism |
|----|---|--|--|--|
| 1 | Creating an education system that meets the demands of the labor market | Currently, many young people are unable to find work in their chosen profession due to a mismatch between skills and demand. | The number of young people whose professions and skills match market needs will increase | Coordination of the curriculum of higher and secondary specialized educational institutions with the production sector |
| 2 | Expanding the vocational centers and retraining system | Most unemployed youth will integrate into the market more quickly if they are retrained. | Short-term courses reduce unemployment | Organize free or low-cost vocational courses and establish a certification system in every district and city |
| 3 | Promoting startups and youth entrepreneurship | Many young people have ideas, but lack financial resources and experience. | New jobs and innovative ideas will emerge. | "Youth Business Incubator", grants, tax incentives, development of the mentor-apprentice system |

| | | | | |
|---|--|--|---|--|
| 4 | Promoting employment through "digital labor platforms" | Many jobs are not advertised, and young people are unaware of them. | Easy job search, eliminating regional disparities | Development of a single "Youth Employment Portal", with the possibility of using it via a mobile application |
| 5 | Development of local infrastructure (especially in remote areas) | Unemployment is high in rural areas, and jobs and the business environment are weak. | Territorial equality, social stability, and increased income of the population | State support for entrepreneurs to allocate buildings, land, and introduce infrastructure |
| 6 | Establishing grant programs for youth in collaboration with international organizations | Organizations such as the UN, ILO, and UNDP have experience and financial support. | Youth actively participate through innovative, social and environmental projects | Strengthening ties with international donors, opening local project offices |
| 7 | National program to improve digital skills and IT literacy | IT and digital services are one of the key sectors in the modern job market | The number of young people employed in remote work, freelancing, and IT is increasing | Organizing "coding schools", free online courses, competitions and hackathons |
| 8 | Creating a single coordination center between institutions working with youth | Currently, different organizations are running different programs separately. | Duplications in activities are eliminated, resources are directed effectively | Integrate the activities of the Youth Affairs Agency, the Ministry of Employment, and local authorities |

In addition, the following proposals will also help ensure the competitiveness of unemployed youth:

- a. Establishing "career centers" in educational institutions: Providing students with market orientation, internship orientation, resume writing, and interview preparation services during their studies.
- b. Developing "social employment projects": Providing temporary employment by involving young people in the development of public social infrastructure (roads, parks, public services).
- c. Establishing a system of social insurance and guaranteed employment for youth: These include providing social protection and state guarantees to young people who have just started a job for the first 6-12 months.

4. Discussion

The study of socio-economic mechanisms that serve to reduce unemployment is an important step towards increasing the competitiveness of young people in the labor market. In turn, these mechanisms are one of the effective tools for attracting young people to economic activity, creating a number of social and economic opportunities to ensure their employment and reduce unemployment. The study focuses on studying the effectiveness of mechanisms such as grants, subsidies, support for startups, and programs based on public-private partnerships, and developing proposals in these areas.

Grants and Subsidies: Grants and subsidies are effective mechanisms to help young people start their own businesses, implement new initiatives, and increase their economic activity. Grants provide significant financial support to support the educational and professional development of young people, to learn innovative technologies, and to prepare for modern professions. Subsidies, in particular, help create new jobs and develop

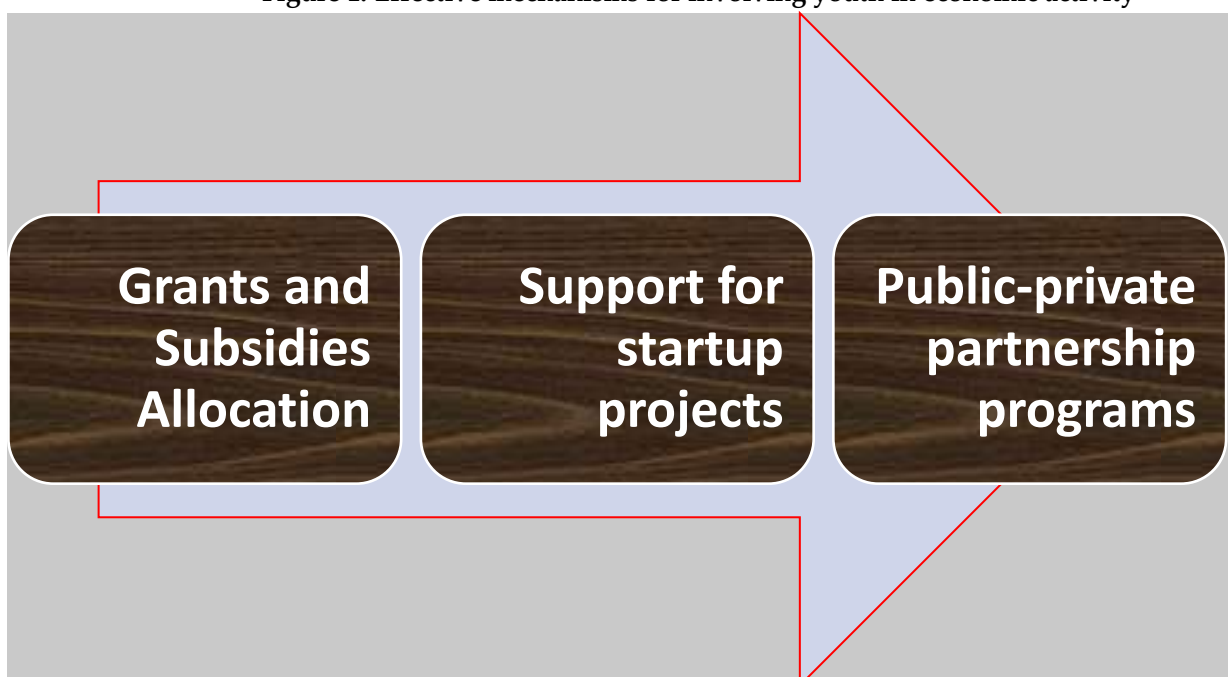
small and medium-sized businesses. These mechanisms also create a strong incentive for young people to get jobs and engage in new economic activities.

Figure 1 visually illustrates a three-pronged framework for supporting youth participation in economic development through targeted policy mechanisms. The flowchart consists of three key components: **Grants and Subsidies Allocation**, **Support for Startup Projects**, and **Public-Private Partnership Programs**. These mechanisms are designed to create a comprehensive support system for young entrepreneurs and job seekers.

- a. **Grants and Subsidies Allocation** refers to the provision of financial aid and incentives by the government or institutions to lower the entry barriers for youth-led initiatives and small businesses.
- b. **Support for Startup Projects** includes technical and financial assistance for launching innovative ideas and business ventures, offering young people essential tools such as mentorship, incubation, and seed funding.
- c. **Public-Private Partnership (PPP) Programs** aim to link public resources with private sector opportunities, enabling young people to engage in collaborative projects that promote skills development, employment, and business creation.

This figure effectively summarizes the strategic pathways through which youth economic engagement can be fostered, aligning with broader goals of reducing unemployment and building an innovation-driven workforce.

Figure 1. Effective mechanisms for involving youth in economic activity



Support for startup projects: Attracting young people to create startups, providing them with the resources and support they need to start a business, stimulates the economic growth of young people. Startups allow young people to implement innovative ideas and technology-based projects. Provides financial and technical support to new entrepreneurs at the initial stage, providing them with all the tools they need to run a successful business.

Public-private partnership programs: Public-private partnership (PPP) programs create important opportunities for young people to become competitive in the labor market. Within the framework of these programs, cooperation is established between the state and the private sector, creating new jobs for young people, training qualified

personnel, and implementing business projects. Public-private partnership programs open up important opportunities for young people not only to create jobs, but also to gain advanced technologies and practical experience.

Studying the effectiveness and developing proposals: As part of the study, the effectiveness of these mechanisms will be studied and a number of proposals will be developed to reduce unemployment and increase the competitiveness of youth. These proposals include:

- a. Increasing financial support: Providing grants and subsidies to young people more widely, as well as expanding financial assistance for starting a business.
- b. Developing a system of support for youth startups: Providing financial and legal support for startups, as well as the necessary resources for successful development at the initial stage.
- c. More active involvement of youth in public-private partnerships: Involving young people in public-private partnership programs, thereby creating new jobs for them and training qualified personnel.

5. Conclusion

Thus, it is necessary to develop effective and systematic approaches to reduce unemployment and increase youth competitiveness through mechanisms such as grants, subsidies, support for startups, and public-private partnership programs. These mechanisms play an important role not only in economic growth for young people, but also in ensuring stability in society.

It is very important to develop social and economic mechanisms to ensure the competitiveness of young people and create the necessary conditions for their successful functioning in today's global labor market. These mechanisms should be aimed at improving the system of education and vocational training of young people, training a qualified workforce that meets the needs of the labor market, supporting innovations, and developing a social protection system.

Effective mechanisms for increasing the competitiveness of young people not only help ensure their economic independence, but also maintain the social stability of society. At the same time, such mechanisms allow young people to fully realize their potential, contribute to their professional and personal development.

The success of this process is directly related to the correct orientation of state policy, the adaptability of education and the labor market to changes, as well as attention to the role and importance of young people in society. Thus, increasing the competitiveness of young people with the help of effective socio-economic mechanisms is important not only for economic growth, but also for ensuring social well-being.

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