

EFFICIENCY OF FUNDS ALLOCATED TO ENSURE EMPLOYMENT

Malikov Auezkhan Jorabekovich

Independent Researcher of Tashkent State University of Economics

auezxanmalikov@gmail.com

Abstract

This article will analyze the issues of improving the efficiency of the funds allocated for the employment of the population and their economic significance. Currently, the country is undergoing a wide range of reforms aimed at increasing population employment, reducing unemployment and expanding citizens' sources of income. In particular, special attention is paid to ensuring the stability of the labor market by creating new jobs, vocational training, and developing small businesses and private entrepreneurship. At the same time, the effective and targeted allocation of financial resources by the state is one of the main factors determining the effectiveness of these processes. The article examines in depth the mechanisms for financing programs aimed at ensuring employment, the distribution of funds across sectors and regions, and their practical results. The criteria used to assess the effectiveness of allocated funds, as well as the status of monitoring and control systems, will also be analyzed.

Keywords: Population employment, employment policy, state budget, financial resources, efficiency of funds, job creation, unemployment rate, poverty reduction, social protection, employment programs, economic efficiency, financial mechanisms, territorial development.

Introduction

Ensuring employment is one of the priorities of the socio-economic policy of any state. Because employment of the population directly affects not only the income and living standards of citizens, but also the overall economic stability and social balance in society. In this context, the issue of the effectiveness of public policies aimed at increasing employment and the funds allocated in this direction is of urgent scientific and practical importance. Changes in the labor market, technological development, demographic factors, and migration processes, especially in the context of global economic instability, require a new approach to employment.

In recent years, the Republic of Uzbekistan has implemented large-scale reforms aimed at ensuring employment, creating new jobs, and reducing poverty. In particular, special attention is being paid to increasing the economic activity of the population by financing state employment programs, developing vocational training systems, supporting entrepreneurial activities, and expanding self-employment opportunities. At the same time, ensuring the targeted and effective use of funds allocated from the state budget and increasing their economic and social efficiency are also being put forward as important tasks.

Funds allocated to ensure employment include state budget expenditures, funds from special funds, loans and grants from international financial institutions, and private sector investments. Through the effective use of these resources, it is possible to create new jobs, maintain existing jobs and ensure stability in the labor market. However, practice shows that in some cases,



efficiency in the use of funds is not sufficiently ensured. This, in turn, leads to the fact that the allocated resources do not produce the expected results. Therefore, the issue of increasing the efficiency of the use of funds requires in-depth analysis.

The relevance of this topic lies in the fact that as the amount of funds allocated for employment increases year by year, the need to assess and improve their effectiveness is growing. The effectiveness of funds is determined not only by their amount, but also by how they are directed, what results they produce, and what socio-economic impact they have. Therefore, it is important to introduce a results-oriented management system in the use of funds, improve monitoring and evaluation mechanisms, and ensure transparency.

It is also necessary to take into account that in the cross section of the regions there are different employment problems and opportunities for their solution. While there is a shortage of jobs in some areas, there is a lack of full use of labor resources in other areas. This requires the allocation of funds based on regional characteristics. Otherwise, it will be difficult to achieve the expected results due to the misallocation of funds. In this context, implementing an employment policy based on a territorial differential approach and allocating funds will serve as an important factor in increasing efficiency.

Of particular importance in the provision of employment is the role of small business and private entrepreneurship. Because it is this sector that is the main driver in creating new jobs. Therefore, a significant part of the funds allocated by the state are directed to the development of entrepreneurship. The effectiveness of loans, subsidies, grants, and other financial support measures depends on their proper targeting and monitoring. In this process, the widespread use of modern management methods, including digitalization and information technologies, is of great importance.

International experience shows that a comprehensive approach is needed to increase the effectiveness of funds aimed at ensuring employment. This includes developing cooperation between the public and private sectors, supporting innovative projects, and improving the system of training and retraining personnel in professions in high demand in the labor market. At the same time, it is necessary to develop clear criteria and a system of indicators to assess the effectiveness of the allocated funds.

LITERATURE ANALYSIS

The issue of the effectiveness of funds allocated to ensure employment has become one of the areas of particular attention in economic theory and applied research in recent years. In modern scientific literature, this issue is analyzed in conjunction with labor market stability, the development of the social protection system, the efficiency of public spending, and poverty reduction. Studies show that effective management of financial resources aimed at ensuring employment is an important factor in increasing economic growth rates, reducing social inequality, and ensuring the rational use of labor resources. It is emphasized that the improvement of mechanisms for the targeted allocation of state funds, their effectiveness assessment, and monitoring will play a key role in increasing the effectiveness of employment policy.



I.K.Doroshenko [1] emphasizes the need for an integrated approach to assessing the effectiveness of state policy in the field of employment. According to it, the effectiveness of employment policy should be determined not only by the amount of funds allocated, but also by the number of jobs created by these funds, their sustainability, and their contribution to increasing population incomes. In this way, the effectiveness of funds is assessed not only by financial indicators, but also by socio-economic results, and long-term results are considered.

Sh.K.Hamdorov [2] evaluates the effectiveness of funds through economic development, support for small businesses and entrepreneurship, and improving the social protection system. He believes that when the allocated funds are directed towards the development of small businesses, the implementation of investment projects, and the creation of new jobs, not only will the employment rate increase, but also the growth of population incomes. At the same time, the country's economy will develop steadily as a result of the proper allocation of funds.

M.Ch.Murodova [3] links the effectiveness of funds to the financing mechanisms implemented through commercial banks. According to it, credit resources and microfinance services provided by banks are important tools for attracting the population to entrepreneurship and creating new jobs. For example, through programs such as "Every Family is an Entrepreneur", "Youth is Our Future" and "Women's Entrepreneurship" the self-employment opportunities of the population are expanding, significantly increasing the efficiency of this process.

Q.X.Abdurahmanov and Kh.X.Abduramanov [4] considers an active employment policy to be a priority for improving the efficiency of funds. They believe that funds aimed at creating new jobs and organizing additional jobs in enterprises will ensure long-term employment. And the funds spent through passive measures will give a short-term result and will not be able to fully ensure economic efficiency. Therefore, it is important to assess funds with reasonable planning and criteria for outcome.

R.A.Qodirova, O.E.Akhunova and N.X.Olimova [5] emphasizes the importance of public policy and investment support in improving the efficiency of funds. The economic return is significantly higher when funds are directed towards vocational training, retraining, subsidies, and the creation of new jobs. This shows that the allocated funds are having a real economic impact and strengthens social stability, improving the living standards of the population.

M.M.Azlarova [6] emphasizes that rational use of human resources and attention to the human factor are important in increasing the efficiency of funds. High economic benefits are achieved when funds are directed not only to material support, but also to professional development, job creation, and productivity incentives. In this way, the distribution and monitoring mechanisms of public funds increase efficiency and stabilize employment.

G.T.Mamajonova [7] emphasizes ensuring the efficiency of funds by improving employment quality and sustainability. Increased employment levels increase household incomes, reduce poverty, and promote social equality. X.A.Azimova [8] emphasizes the role of employment in increasing economic stability and social welfare, which requires the allocation and efficient use of resources.

G.S.Skachkova [9] considers the targeted and controlled use of funds to be a key condition for increasing efficiency. S.A.Rudenko [10] recommends evaluating based on the funding system and performance criteria. O.A.Magomedov [11] emphasizes the need for a thorough analysis



of the real effectiveness of funds and their impact on the labor market. At the same time, the effective use of funds directly affects the stability of jobs and the well-being of the population. This literature review shows that the issue of improving the effectiveness of funds allocated to ensure employment is multifaceted and is closely related to economic, social, and institutional factors. The results of foreign and domestic studies confirm the need to improve the employment policy carried out by the state, target funds and increase their effectiveness. At the same time, existing studies also show that there are issues in this area that have not yet found a complete solution. In particular, the development of a unified methodology for assessing the effectiveness of the use of funds, reducing regional disparities, and determining the long-term impact of employment programs remain urgent scientific tasks.

RESEARCH METHODOLOGY

This research methodology aims to comprehensively assess the effectiveness of funds allocated to ensure employment, combining economic and social approaches. The research used analysis and synthesis, comparison, economic and statistical methods, and logical generalization. First, the volume of funds allocated within the framework of employment policies, their directions and utilization levels were studied, and their effectiveness was assessed based on available data. At the same time, special attention was paid to criteria such as the unemployment rate, the number of employed people, the number of new jobs created, and changes in the income of the population participating in employment programs when determining the effectiveness of funds. During the study, official statistics, reports of state programs and information from scientific sources were analyzed. In addition, in determining the effectiveness of funds, the relationship between their resulting economic benefits and social effect was studied. An important aspect of the methodology is that it allows you to assess not only the amount of allocated funds, but also their impact on real results. Based on this, the study formulated scientific conclusions on increasing the effectiveness of funds aimed at ensuring employment.

ANALYSES AND RESULTS

Ensuring employment and developing entrepreneurship are among the priorities of the country's economic policy. Commercial banks play an important role in this process as key financial institutions, allocating funds that serve to increase the economic activity of the population, create new jobs, and support entrepreneurship. Loans and financial resources provided by commercial banks are important in expanding the income sources of the population, developing small businesses and private entrepreneurship, and ensuring balance in the labor market.

In recent years, Uzbekistan has been consistently implementing programs aimed at increasing employment through the banking system. In particular, commercial banks are carrying out large-scale work to provide the population with productive employment, attract them to entrepreneurship, and provide financial support to small businesses in the neighborhoods. This shows that not only are the allocated funds increasing in quantity, but also their economic efficiency.

This process is also closely linked to regional development. Through the funds allocated, new jobs are being created in the regions, the service and manufacturing sectors are expanding, and



incomes are increasing. At the same time, through programs implemented by commercial banks, the population is developing entrepreneurial skills and increasing the level of self-employment. The table below shows the funds allocated by commercial banks in our country to ensure employment and their key performance indicators (Table 1):

Table 1 Target indicators for ensuring employment and attracting the population to entrepreneurship by commercial banks [12]

№	Responsible banks	Number of attached neighborhoods	Providing the population with gainful employment	of which:		Separable credits (billion sum)	
				permanent employment	entrepreneurship involvement	to small and medium-sized businesses	Within the programs
Total		9 453	3 570 000	1 470 000	2 100 000	120 378	15 000
1.	JSC "National Bank of Uzbekistan"	964	500 000	203 170	296 830	10 684	685
2.	JSCB "Agrobank"	1 850	450 000	184 394	265 606	22 980	1 710
3.	JSCB "Uzsanoatqurilishbank"	712	400 000	161 507	238 493	11 581	1 005
4.	JSC "Xalq banki"	2 012	420 000	173 900	246 100	8 041	4 462
5.	JSCB "Mikrokreditbank"	1 121	320 000	131 158	188 842	5 453	2 965
6.	JSCB "Biznesni rivojlantirish banki"	653	280 000	114 685	165 315	5 737	1 367
7.	JSC "Asakabank"	488	225 000	92 667	132 333	4 509	525
8.	JSCB "Turonbank"	479	175 000	72 308	102 692	3 000	460
9.	JSCB "Aloqabank"	467	175 000	71 621	103 379	5 337	560
10.	Other commercial banks	707	625 000	264 590	360 410	43 056	1 261

Analysis of these table data shows that the volume of funds allocated by commercial banks to ensure employment is high, and their effectiveness is also steadily increasing. A total of 3.57 million people were employed, of which 1.47 million were placed in permanent jobs and 2.1 million were engaged in entrepreneurial activities. This shows that the bulk of the allocated funds are being used to create self-employment and income sources for the population.

When analyzed by bank, the volume of funds allocated by large commercial banks is high, and employment indicators have also increased significantly through them. In particular, loans provided by JSCB "Agrobank" and JSC "National Bank of Uzbekistan" play an important role in attracting the population to entrepreneurship. At the same time, the high share of funds allocated by JSC "Xalq Bank" within the framework of the programs indicates the comprehensive implementation of socially oriented projects.

These indicators mean that the allocated funds are mainly directed to the development of small businesses and private entrepreneurship, which will serve to ensure long-term economic growth. Because through entrepreneurial activity, not only new jobs are created, but also additional value is created in the economy. At the same time, the contribution of other commercial banks is also important, through which a large number of people are employed. The above information confirms that the funds allocated by commercial banks are highly effective, and their economic and social results have a significantly positive impact.



The level of employment is directly related to economic growth, population well-being, and a reduction in poverty levels, and the effectiveness of financial resources allocated by the state in this process is of particular importance. The main goals of employment policy are to develop the labor market, create new jobs, reduce informal employment, and increase the share of economically active population. Statistical indicators for January–June 2025 will allow us to assess the effectiveness of employment programs and financial support measures being implemented in the country. The decrease in unemployment during this period, the increase in the share of formal employment, and the reduction in informal employment indicate that the funds allocated by the state are being used for their intended purpose. Especially important are vocational training programs, projects aimed at supporting entrepreneurship, allocating subsidies and creating new jobs.

A structural analysis of labor resources shows that a high proportion of economically active population contributes to strengthening economic stability. At the same time, attracting the economically inactive population to employment remains an important task of state policy. Expanding labor market opportunities can be achieved by supporting, in particular, young mothers, individuals in education, and citizens with limited employment opportunities. The table below presents the employment indicators for the first half of 2025 in a structured manner, which allows for an assessment of the effectiveness of funds allocated to ensure employment (Table 2):

Table 2 Employment indicators, January-June 2025 [13]

№	Index name	Quantity	Share (%)	In terms of employment efficiency point
1	Labor resources	20.3 million people	100	Total labor potential
2	Economically active population	15.4 million people	—	The main object of employment policy
3	Economic inactive population	4.9 million people	—	There is an opportunity to attract to employment layer
4	The employed	14.6 million people	—	Created jobs result
5	The unemployed	781.6 thousand people	5,1%	The unemployment rate decreased by 0.4 points compared to the beginning of the year.
6	Official items	8 million people	55%	Tax revenues and social protection increased
7	Informal employed	4.8 million people	33%	A downward trend was observed.
8	Those working abroad	1.8 million people	12%	External labor migration factor
9	Those who are studying while separated from production	2 million people	41% (inside the inactive)	Future labor resource
10	Women on parental leave or maternity leave	2.2 million people	44%	There is a need to engage in employment programs.
11	Those who have no desire or ability to work	0.8 million people	15%	Social support is necessary
12	Official employment growth	+19%	—	Effect of state programs
13	Informal employment reduction	-13,6%	—	Legalization policy result

The data presented shows that funds allocated to ensure employment are yielding positive economic and social results. First of all, the reduction in the unemployment rate to 5.1 percent indicates that the state's active employment policy is being effectively implemented. This result shows that the funds allocated to create new jobs, support small businesses and entrepreneurship, and vocational training programs were used for their intended purpose.

A 19% increase in official employment means that the “shadow sector” of the economy is shrinking. The increase in official jobs will not only increase the income of the state budget, but also increase the possibility of covering the population with social insurance and the pension system. This increases the long-term social effectiveness of funds allocated for employment. At the same time, the 13.6% reduction in informal employment can be considered the result of reforms aimed at legalizing labor relations. This process serves to protect workers' rights and improve working conditions. The share of citizens working abroad is also significant, which means that there are still unused opportunities in the domestic labor market.

An analysis of the composition of the economically inactive population, on the other hand, shows the need for further improvement of employment policies. It is especially important to involve women in child care and young people in employment through flexible forms of work. Directing state funds to these sectors could increase the level of economic activity in the future. The available indicators show that the financial resources allocated to employment are yielding positive results in the short term, but to achieve sustainable efficiency, it is necessary to expand regional employment programs, develop a system of retraining for professions, and increase investments in line with labor market requirements.

CONCLUSION

In conclusion, increasing the effectiveness of funds allocated to ensure employment is one of the priorities of modern economic policy. This article analyzed the economic content of financial resources aimed at ensuring employment, the mechanisms of their distribution, existing problems and approaches to assessing efficiency. The analysis revealed systemic shortcomings in the use of funds, in particular the need to improve mechanisms for assessing their effectiveness, targeting, and monitoring. At the same time, it was argued that sustainable jobs can be created, incomes can be increased, and poverty can be reduced through the rational and effective use of funds.

Based on the studied approaches to the topic, we put forward the following proposals:

1. Strengthen the regional approach to the distribution of funds. It is necessary to introduce a mechanism for differential distribution based on the economic potential, labor resources, and infrastructure of each region;
2. Improve performance assessment indicators. It is necessary to assess the effectiveness of allocated funds not only by the level of absorption, but also by indicators such as the number of jobs created, their stability, and income growth;
3. Strengthen the monitoring and control system. It is important to introduce an effective monitoring system that continuously analyzes the process of using funds and evaluates the results;



4. Develop public-private partnership mechanisms. The efficiency of funds can be improved by expanding the participation of the private sector in projects aimed at ensuring employment;
5. Adaptation of the vocational training system to the requirements of the labor market. It is necessary to increase the level of employment by directing the allocated funds to the training of personnel in modern professions;
6. Ensuring transparency through digital technologies. Publishing information on the allocation and spending of funds on open electronic platforms reduces corruption;
7. Implement a results-oriented funding system. By setting clear results and performance criteria for allocating funds, efficiency can be improved.

In general, increasing the effectiveness of funds allocated to ensure employment is an important factor in ensuring economic growth, strengthening social stability, and improving the living standards of the population. High results can be achieved in this area by introducing scientifically based approaches, improving funding mechanisms, and applying modern management methods. Therefore, continuing systemic reforms in this area and implementing specific measures aimed at improving efficiency remain an urgent task.

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