

DEMOGRAPHIC CHANGES IN THE REPUBLIC OF UZBEKISTAN AND ITS IMPACT ON THE ECONOMY

Kamilova Nargiza

Associate Professor of the Department
of Economic Theory
Samarkand Institute of Economics and Service
Republic of Uzbekistan

Abstract: The article examines and analyzes key demographic trends such as population growth, changes in age structure, urbanization and migration. Particular attention is paid to their impact on the labor market, consumption levels, social sphere and economic growth. Possible risks and prospects that demographic processes create for the sustainable development of Uzbekistan are identified.

Keywords: urbanization, migration, working capacity, infrastructure, unemployment.

Аннотация: В статье рассматриваются и анализируются ключевые демографические тенденции, такие как рост численности населения, изменения возрастной структуры, урбанизация и миграция. Особое внимание уделяется их воздействию на рынок труда, уровень потребления, социальную сферу и экономический рост. Выявляются возможные риски и перспективы, которые демографические процессы создают для устойчивого развития Узбекистана.

Ключевые слова: урбанизация, миграция, трудоспособность, инфраструктура, безработица.

Introduction. Demographic processes play an important role in the formation of the economic potential of any country. The Republic of Uzbekistan, being the largest country in Central Asia in terms of population, is faced with a number of significant demographic changes. Rapid population growth, changes in its age structure, urbanization and migration processes have both a positive and negative impact on the country's economic development.

One of the key demographic factors influencing the economy of Uzbekistan is the rapid population growth. Over the past few decades, the country has demonstrated high rates of population growth, which places it among the largest countries in Central Asia.

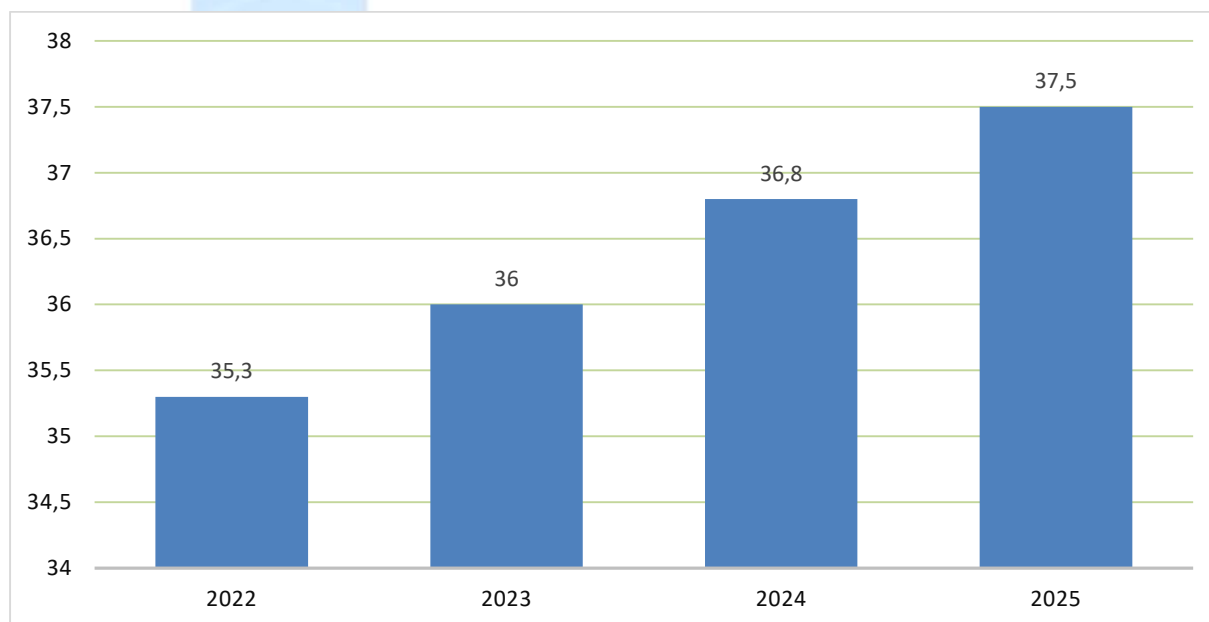


Fig. 1. Dynamics of the permanent population of the Republic of Uzbekistan (as of January 1, 2025, million people).

Main part. According to the State Statistics Committee, in 2024 the country's population exceeded 36 million people, and the growth rate is 1.5-2% per year (Fig. 1). This means that every year the population increases by an average of 600-700 thousand people. High birth rates, especially in rural areas, combined with a relatively low mortality rate, lead to a significant increase in the population. This process has both positive and negative economic consequences.

Population growth, on the one hand, creates the preconditions for the expansion of the domestic market, which contributes to an increase in demand for goods and services, stimulating economic activity. The population growth of Uzbekistan is also accompanied by an increase in the working force, which represents an important economic potential for the country. The average age of men is 28.5 years, women - 30 years. In the country, 32% of the population are young people of non-working age, 56.4% are people of working age, and 11.6% are people of older working age. This

opens up opportunities for economic growth, as the working population can actively participate in the development of various sectors, such as agriculture, industry, and services. On the other hand, rapid population growth requires significant investment in the social sphere, including health care, education, and social security. This also creates a burden on infrastructure: roads, housing, and utilities, which requires effective management decisions at the level of state policy.

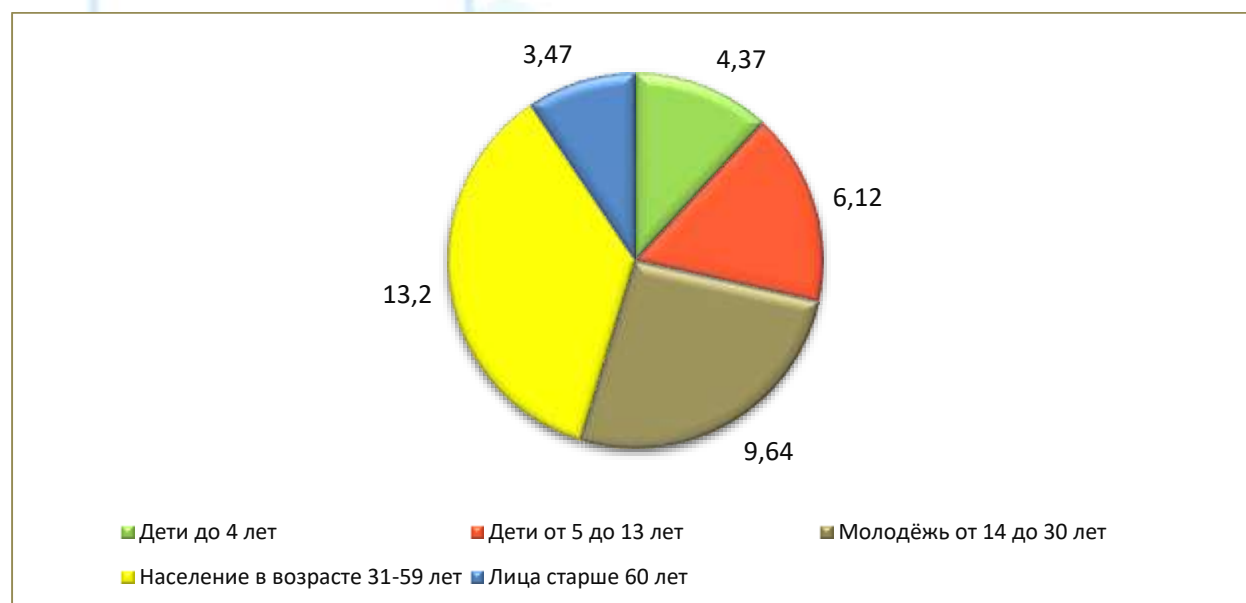


Fig. 2. Population of Uzbekistan by age groups in 2024 (million people).

At the same time, as the population increases, the number of people of working age grows, which puts pressure on the labor market. If the economy fails to create enough jobs, this can lead to unemployment, especially among young people, which in turn will contribute to social instability and an increase in poverty.

Another important problem that Uzbekistan faces is the aging of the population in the long term. Although the proportion of elderly people is currently small (Fig. 2), in the future, an increase in the number of pensioners may create an additional burden on the social security system, which will require significant expenditures from the state budget.

Uzbekistan is a major source of labor emigrants, especially to Russia and other CIS countries. Labor migration helps improve employment in Uzbekistan, reducing

pressure on the labor market, especially in rural areas. However, the main positive effect is in the remittances that migrants send to their families. These transfers play an important role in maintaining the population's income and stimulating consumer demand in the country. According to the Central Bank of the Republic of Uzbekistan, from January to October 2024, the volume of remittances to Uzbekistan reached \$12.6 billion, which is 34% more than in the same period last year (Fig. 3).

In recent years, Uzbekistan has also seen an increase in the number of immigrants, including from neighboring countries. This is due to economic reforms and improved business conditions, which attracts workers and entrepreneurs to the development of agriculture, construction and other industries.

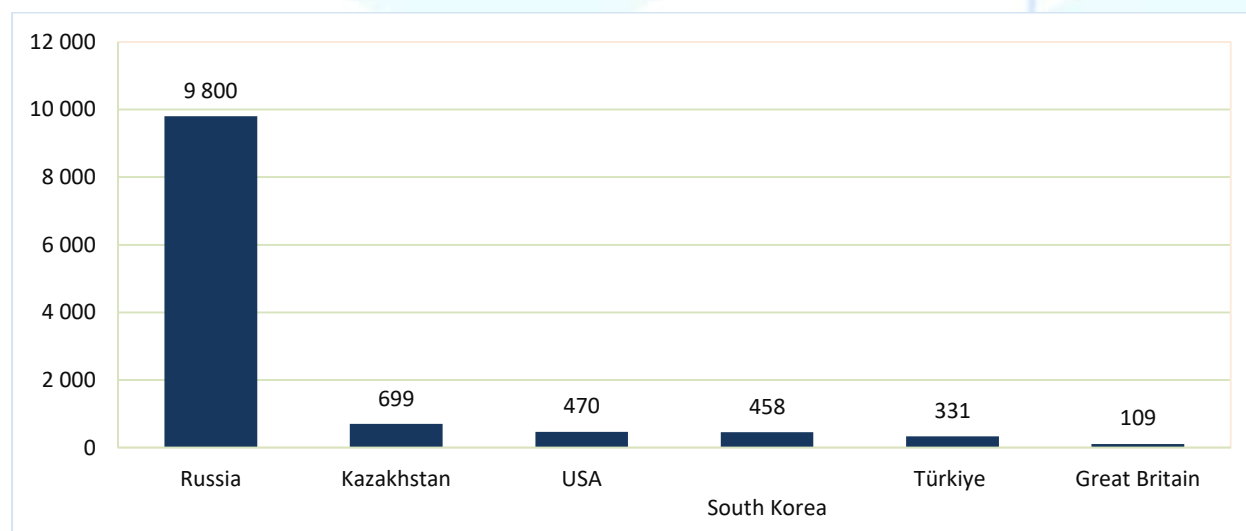


Fig. 3. Volume of remittances to the Republic of Uzbekistan from January to October 2024 (million dollars).

The urbanization process in Uzbekistan has a significant impact on the economic and social development of the country. Urbanization includes the growth of the urban population, the expansion of cities and the development of urban infrastructure. If in the 1990s the urban population was about 30%, then by 2024 this figure exceeded 50%. This process is accompanied by both positive and negative consequences for the country.

Urbanization contributes to economic growth: cities become centers of economic activity, attract investment and create jobs. The development of industry, trade,

services and other sectors in cities helps improve the country's economic performance. Urbanization also requires the modernization of infrastructure, which helps improve living conditions - the construction of new roads, improved housing conditions, the development of healthcare and education.

However, urbanization also causes many problems. Rapid growth of the urban population can lead to the overload of existing infrastructure, such as transport, utilities and housing. This requires significant investment in the development of the urban environment. In addition, urbanization can lead to social and environmental problems, such as increased unemployment, poverty, as well as environmental degradation, including air and water pollution.

Given the current demographic changes in Uzbekistan, it is important to take steps aimed at the effective use of human capital and ensuring the sustainable development of the country.

Firstly, in the context of high growth of the youth population, it is necessary to focus on quality education, which will provide training of qualified personnel for various sectors of the economy and will help effectively integrate young people into the labor market.

Secondly, with population growth, the need for housing, transport, utilities and social infrastructure will only increase. This will require constant investment in infrastructure development, which can also become an engine of economic progress.

An important component is the development of new sectors of the economy, such as IT, ecotourism, processing of agricultural products and other high-tech industries. This will help create jobs and increase economic stability. Also, given the aging of the population in the long term, it is necessary to invest in the healthcare system, improving the availability of medical services and providing quality treatment for the elderly.

At the same time, the development of infrastructure in rural areas and small towns will reduce migration to large cities and improve living conditions in the regions. This will help prevent overpopulation and improve the balance between cities and rural areas. At the same time, it is important to invest in agriculture, social services and job

creation in rural and remote regions so that people are not forced to migrate in search of better living and working conditions.

In addition, given the significant number of Uzbek citizens working abroad, it is important to implement programs to improve conditions for migrants, providing them with protection and support, including legal assistance and financial instruments to facilitate their return and integration into the economy.

Conclusion. In conclusion, I would like to note that demographic changes in Uzbekistan create both opportunities and challenges for the country's economic development. Population growth, a young age structure and accelerated urbanization open up prospects for economic growth, an increase in labor potential and growth in consumer demand. However, these changes also require significant efforts in terms of creating jobs, modernizing infrastructure, improving the quality of education and healthcare.

In this regard, in order to effectively use the demographic potential, Uzbekistan needs to implement comprehensive measures aimed at developing human capital, stimulating innovation, supporting small businesses and private entrepreneurship, and modernizing social and urban infrastructure.

Sustainable economic development of the country is possible only under the condition of a harmonious combination of population growth with adaptive political and economic decisions, which will make it possible to use the advantages of demographic changes as effectively as possible and minimize the emerging risks.

Bibliography:

1. Мухаммедов М.М., Камилова Н.А. Экономическая теория. Учебник для ВУЗов. – С.: Stap-Sel, 2023. – 456 с.
2. Камилова Н.А. Условия безопасности при переходе экономики на инновационный путь развития. //World of Scientific news in Science International Journal, Vol1 Issue2, 2023. - С. 58-63.
3. Глушкова В.Г., Плисецкий Е.Л., Симагин Ю.А. Демография. Учебник. (2023) – 288 с.

4. Agency of Statistics under the President of the Republic of Uzbekistan. Dynamics of the permanent population of the Republic of Uzbekistan. Available at: <https://stat.uz/>
5. Population of Uzbekistan by age groups. Available at: <https://www.uzdaily.uz/>
6. Central Bank of the Republic of Uzbekistan. Available at: <https://cbu.uz/>