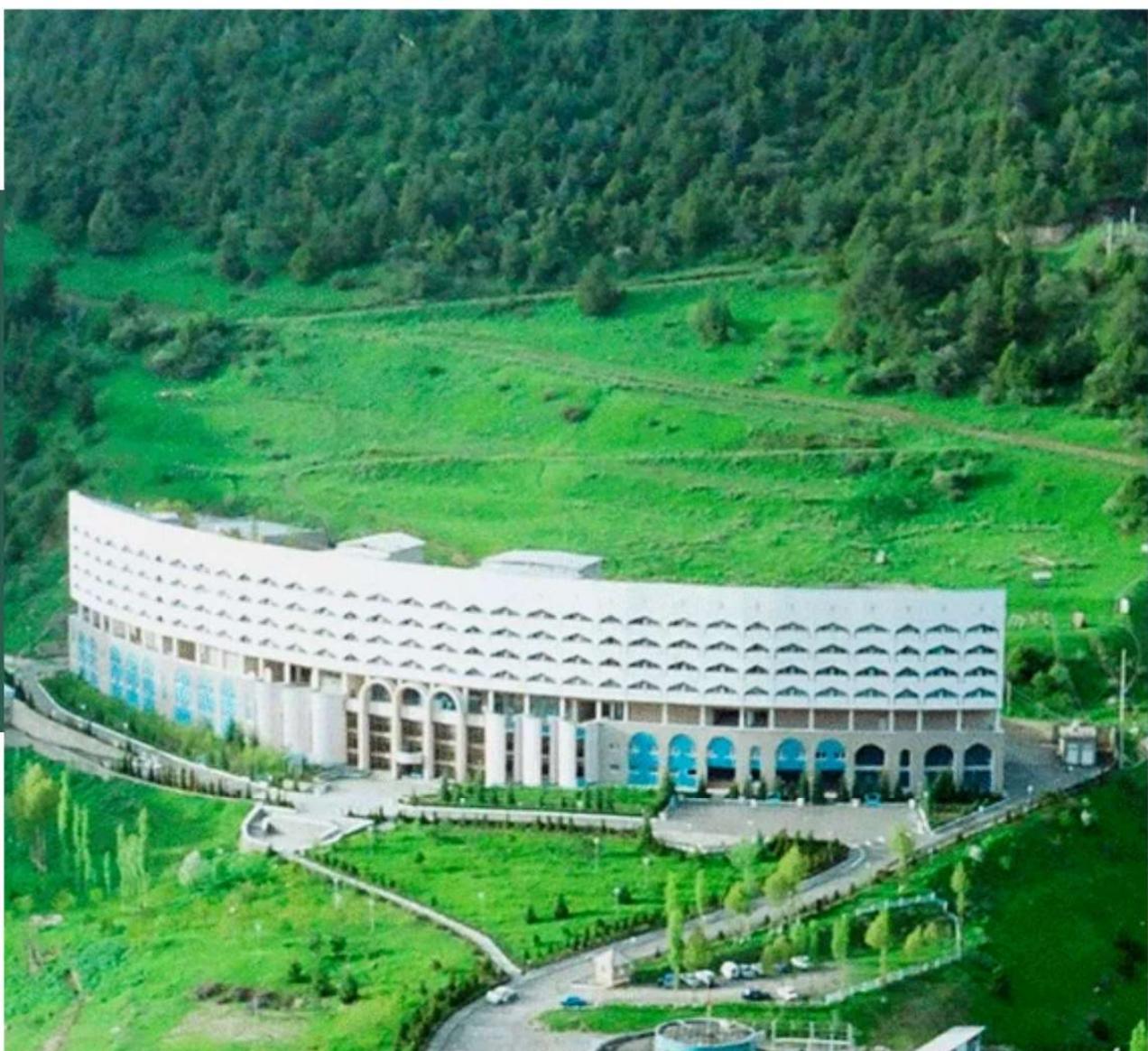


KONFERENSIYA

“JIZZAX VILOYATI IJTIMOIY-IQTISODIY
RIVOJLANISHINING ASOSIY
YO’NALISHLARI: MUAMMO VA YECHIMLAR”



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**MIRZO ULUG‘BEK NOMIDAGI O‘ZBEKISTON MILLIY
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**JIZZAX VILOYATI IJTIMOIY-IQTISODIY
RIVOJLANISHINING ASOSIY YO‘NALISHLARI:
MUAMMO VA YECHIMLAR**

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Ushbu ilmiy ma’ruza tezislari to‘plamida mamlakatimiz va xorijlik turli yo‘nalishlarda faoliyat olib borayotgan mutaxassislar, olimlar, professor-o‘qituvchilar, ilmiy tadqiqot institatlari va markazlarining ilmiy xodimlari, tadqiqotchilar, magistr va talabalarning ilmiy-tadqiqot ishlari natijalari mujassamlashgan.

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Mazkur to‘plamga kiritilgan ma’ruza tezislarining mazmuni, undagi statistik ma’lumotlar va me’yoriy hujjatlarning to‘g‘riliqi hamda tanqidiy fikr-mulohazalar, keltirilgan takliflarga mualliflarning o‘zlari mas’uldirlar.



MECHANISMS FOR INCREASING EMPLOYMENT THROUGH THE DEVELOPMENT OF SOCIAL ENTREPRENEURSHIP

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Abstract: This study examines mechanisms for increasing employment in Uzbekistan through the development of social entrepreneurship. By analyzing government initiatives, donor-supported programs, and youth and women-focused entrepreneurship projects, the paper highlights how social enterprises contribute to job creation, skills development, and inclusive economic growth. Empirical evidence indicates that targeted interventions—such as USAID programs for rural women, UNDP assessments of female entrepreneurship, state trust funds for youth, and industrial-entrepreneurial zones—have expanded employment opportunities, particularly among underserved groups. The findings suggest that fostering social entrepreneurship can serve as an effective strategy for enhancing labor market participation and addressing structural employment challenges in Uzbekistan.

Keywords: social entrepreneurship, employment creation, youth entrepreneurship, women’s economic empowerment, Uzbekistan, inclusive labor market.

Introduction

In many economies, persistent employment deficits—particularly among youth, women, and vulnerable groups—have underscored the need for alternative mechanisms beyond traditional private-sector job creation and public employment programmes. Within this context, social entrepreneurship has emerged as a promising avenue for aligning social and economic objectives: by combining entrepreneurial initiative with a mission to address social needs, social enterprises generate jobs, foster inclusion and create value beyond pure profit. Research indicates that social enterprises can both increase the quantity of jobs and improve quality of employment by internalising unique human resources and creating new market niches.

The relevance of social entrepreneurship for employment expansion is particularly strong in economies undergoing structural transformation or with large informal sectors. Studies show that social enterprises can serve as vehicles for activating under-utilised labour, promoting self-employment, and generating employment in underserved communities. For example, work in the Eurasian Economic Union context finds that social entrepreneurship contributes to sustainable economic growth by solving social problems and engaging public, private and non-profit actors.

In the employment-mechanism framing, social entrepreneurship functions through several channels: first, by mobilising social capital and networks to create new organisational forms and enterprises that recruit marginalised individuals; second, by innovating business models that convert social needs into market opportunities—thereby generating jobs; and third, by enhancing human capital, empowerment, and capability of employees and beneficiaries, enabling them to participate more fully in the labour market. The mediating role of empowerment in linking social entrepreneurship to broader social change is documented in empirical work on female entrepreneurship in India.

Given this background, the paper aims to examine the mechanisms through which social entrepreneurship can increase employment, with a focus on how these mechanisms operate in practice, what conditions support them, and what policy interventions strengthen them. Specifically, the study addresses the following questions: What theoretical and empirical mechanisms link social entrepreneurship to job creation and employment quality? What institutional, financial and human-capital factors influence the effectiveness of social entrepreneurship in generating employment? And how can policy frameworks be designed to leverage social entrepreneurship as a mechanism for employment growth?

By exploring these questions, the article seeks to contribute to the literature on inclusive economic development and employment policy, and to provide actionable insights for policymakers, practitioners and social-enterprise stakeholders in economies seeking to harness social entrepreneurship for labour-market improvement.

Methodology

The study employs a mixed-methods approach combining qualitative and quantitative analyses to examine the mechanisms through which social entrepreneurship contributes to employment generation. Data collection involves multiple sources, including national statistics on employment and social enterprises, reports from government agencies and international organisations, and case studies of operational social enterprises. Quantitative indicators include the number of jobs created by social enterprises, demographic characteristics of employees, employment stability, income levels, and sectoral distribution of social enterprises.

Qualitative analysis is conducted through semi-structured interviews with founders and managers of social enterprises, employees, and representatives of supporting institutions such as incubators, NGOs, and government agencies. This provides insights into the operational mechanisms, human capital practices, and social innovation strategies that underpin job creation. Content analysis of policy documents, program evaluations, and existing literature complements primary data collection to understand regulatory frameworks, institutional support, and barriers faced by social enterprises in expanding employment.

The methodology also includes comparative analysis, assessing how different types of social enterprises—nonprofit-oriented, hybrid, or for-profit with social missions—impact employment differently. Data is synthesised using thematic coding for qualitative insights and descriptive statistics for quantitative indicators,

allowing identification of patterns, correlations, and potential causal pathways between social entrepreneurship activities and employment outcomes.

Limitations of the methodology are acknowledged, including potential biases in self-reported data from social enterprise managers, the limited availability of longitudinal employment statistics for social enterprises in certain regions, and challenges in isolating the effects of social entrepreneurship from broader economic trends. Despite these constraints, the approach provides a comprehensive framework for understanding both the scale and mechanisms of employment generation through social entrepreneurship.

Results

Recent data and reports on employment and social-entrepreneurship initiatives in Uzbekistan indicate substantial progress in using social entrepreneurship as a mechanism for job creation. A USAID programme launched in April 2022 targeted about 1,000 women in rural areas, providing business training, micro-loans, and equipment, with a goal of at least 30 % of participants gaining employment or startup financing. The United Nations Development Programme reported that by 2024 there were 2.1 million women entrepreneurs in Uzbekistan, a seven-fold increase since 2020, although challenges such as access to finance and social-care responsibilities persist.

The Uzbek government’s “New approaches to employment and entrepreneurship” resolution for 2025 aims to provide profitable work for 5.2 million people and to stimulate entrepreneurship in sectors such as poultry farming, cold storage, and services. To support youth employment, a State Trust Fund for Youth Entrepreneurship was established in February 2025 with an initial allocation of approximately US\$100 million, aiming to employ at least 50,000 young people through entrepreneurial initiatives. In parallel, Uzbekistan implemented joint programmes with the UN and World Bank to formalise the labour market and strengthen social entrepreneurship, targeting 300,000 informal workers for integration into the formal economy and extending social protection coverage to 300,000 individuals. The “Strengthening the Social Protection System” project (2022-2024), funded by the World Bank and national partners, provided entrepreneurship training to 15,206 individuals from low-income groups across 14 regions, focusing on business planning, access to credit, and financial and legal literacy.

Additionally, 210 industrial and entrepreneurial zones for youth have been established to promote youth entrepreneurship, job creation, and innovation, particularly in production and service sectors. These findings demonstrate that social-entrepreneurship initiatives in Uzbekistan are effectively contributing to employment creation, with a focus on women, youth, underserved regions, and informal-sector workers, providing empirical evidence for the role of social entrepreneurship in promoting inclusive labour-market growth.

Analysis and Discussion

The empirical results indicating substantial growth in entrepreneurship and targeted interventions for youth, women and underserved regions provide a promising foundation for analysing how social entrepreneurship can increase

employment. Research on Uzbekistan’s entrepreneurial ecosystem shows that small business and private entrepreneurship already play a significant role in job creation and income generation. For example, a study found that development of small business in Uzbekistan contributes meaningfully to employment provision. Furthermore, the organisational mechanisms for managing social entrepreneurship in Uzbekistan have been examined in recent literature, which highlights institutional strengths but also capacity constraints.

From a mechanistic standpoint, several channels can be identified through which social entrepreneurship leads to employment increases. First, social enterprises often operate in sectors with inherent labour intensity and social-orientated missions (for example, services for disadvantaged populations, community-based activities, regional entrepreneurial zones). As the reported initiatives in Uzbekistan show—such as the establishment of 210 industrial and entrepreneurial zones for youth—these form platforms where social entrepreneurship can directly absorb labour and generate jobs in non-traditional sectors. Second, by targeting women, youth, informal-sector workers and underserved regions, social entrepreneurship may enhance inclusive employment, thereby reaching individuals who might not gain access to traditional private-sector jobs. Third, social entrepreneurship often involves more flexible organisational forms (hybrid models, community-based business) which may allow faster job creation and lower entry barriers, aligning with Uzbekistan’s employment goals such as the “5.2 million profitable work” target under the 2025 resolution.

However, the analysis also identifies limitations and caveats that moderate the strength of the employment effect of social entrepreneurship in Uzbekistan. Institutional and infrastructural barriers remain significant. Studies show that although entrepreneurship programmes are expanding, there is uneven region-wise penetration and varied access to finance and training for social entrepreneurs. For instance, research notes that access to finance and social-care responsibilities remain major constraints for women entrepreneurs. Moreover, the transformational effect of social entrepreneurship on employment may depend on the quality and sustainability of the enterprises created—not only in terms of job numbers but job quality, stability and linkages into the formal economy. The UN country report on Uzbekistan finds that while thousands of youth and women have been trained in entrepreneurship and social innovation, scaling and sustaining enterprises remains an issue.

From the policy-analysis perspective, the evidence suggests that social entrepreneurship should be embedded within a coherent employment-strategy framework rather than treated as a stand-alone intervention. The government of Uzbekistan’s resolution on “New approaches to employment and entrepreneurship” reveals this broader orientation: combining entrepreneurship development, sectoral diversification (poultry, cold-storage, services) and direct employment targets. This alignment suggests that social entrepreneurship can be more effective when supported by macro-policy (sectoral development, infrastructure), financial mechanisms (micro-loans, subsidies), and specialised support (training, mentoring, incubation). For example, the USAID programme for rural women that combines

business training, micro-loans and equipment illustrates a more comprehensive mechanism.

Conclusion

The development of social entrepreneurship in Uzbekistan has emerged as a significant mechanism for increasing employment, particularly for women, youth, informal-sector workers, and underserved regions. Empirical evidence shows that targeted initiatives—such as entrepreneurship training, micro-loans, establishment of industrial and entrepreneurial zones, and state-supported funds—have created tangible employment opportunities and promoted inclusive labour-market growth. Social entrepreneurship contributes not only by generating jobs directly but also by fostering entrepreneurial skills, innovation, and community development, which can enhance long-term economic resilience.

However, the effectiveness of these mechanisms depends on overcoming constraints such as limited access to finance, social-care responsibilities, uneven regional coverage, and sustainability of enterprises. Integrating social entrepreneurship within broader national employment and economic development strategies, alongside institutional support, policy alignment, and capacity-building initiatives, is crucial to maximize its impact.

Overall, social entrepreneurship in Uzbekistan demonstrates a strong potential to serve as a scalable, inclusive, and sustainable avenue for job creation, contributing meaningfully to the country’s broader employment and socio-economic objectives.

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