



**MINISTRY OF LABOUR, MIGRATION AND EMPLOYMENT  
OF POPULATION OF THE REPUBLIC OF TAJIKISTAN**



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**INTERNATIONAL LABOUR ORGANIZATION**

# **Monitoring labour markets, employment status and informal economy in Tajikistan**

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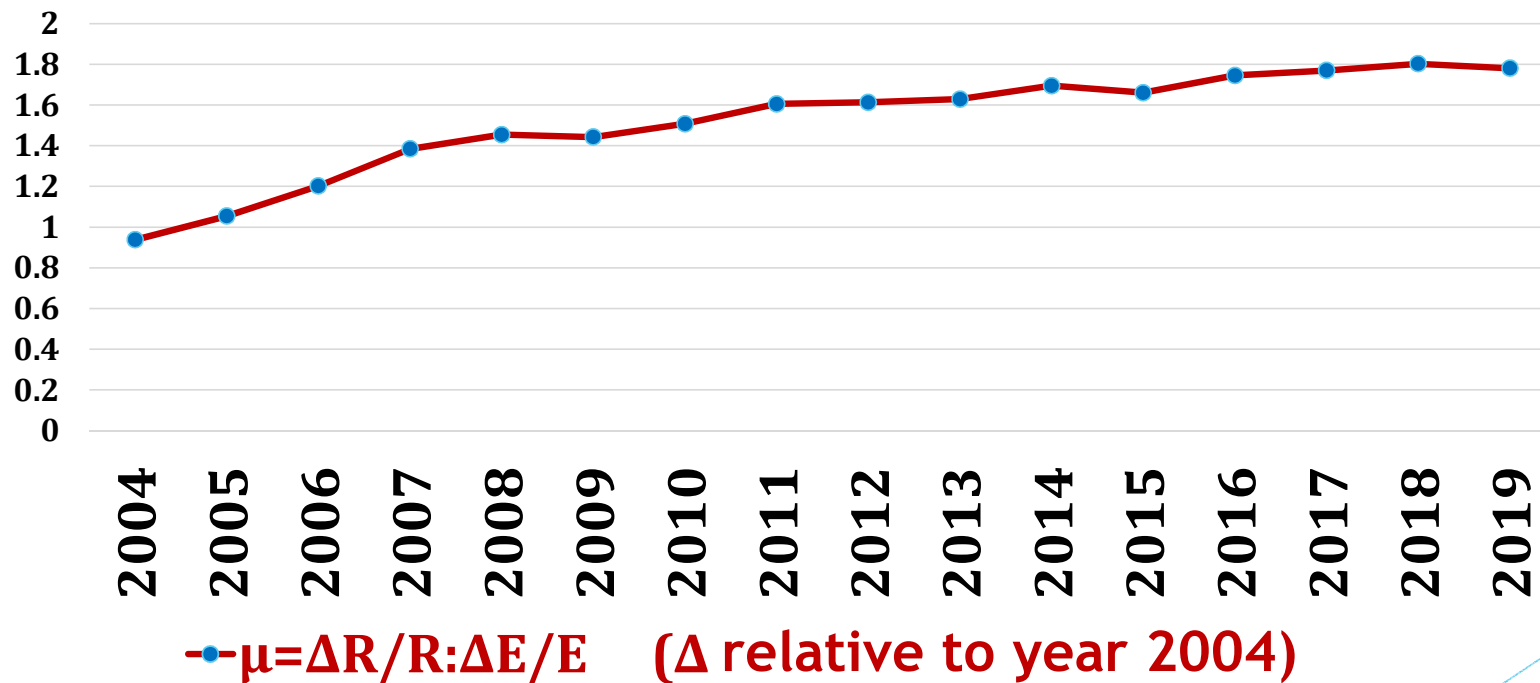
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# Current employment situation in Tajikistan: major challenges

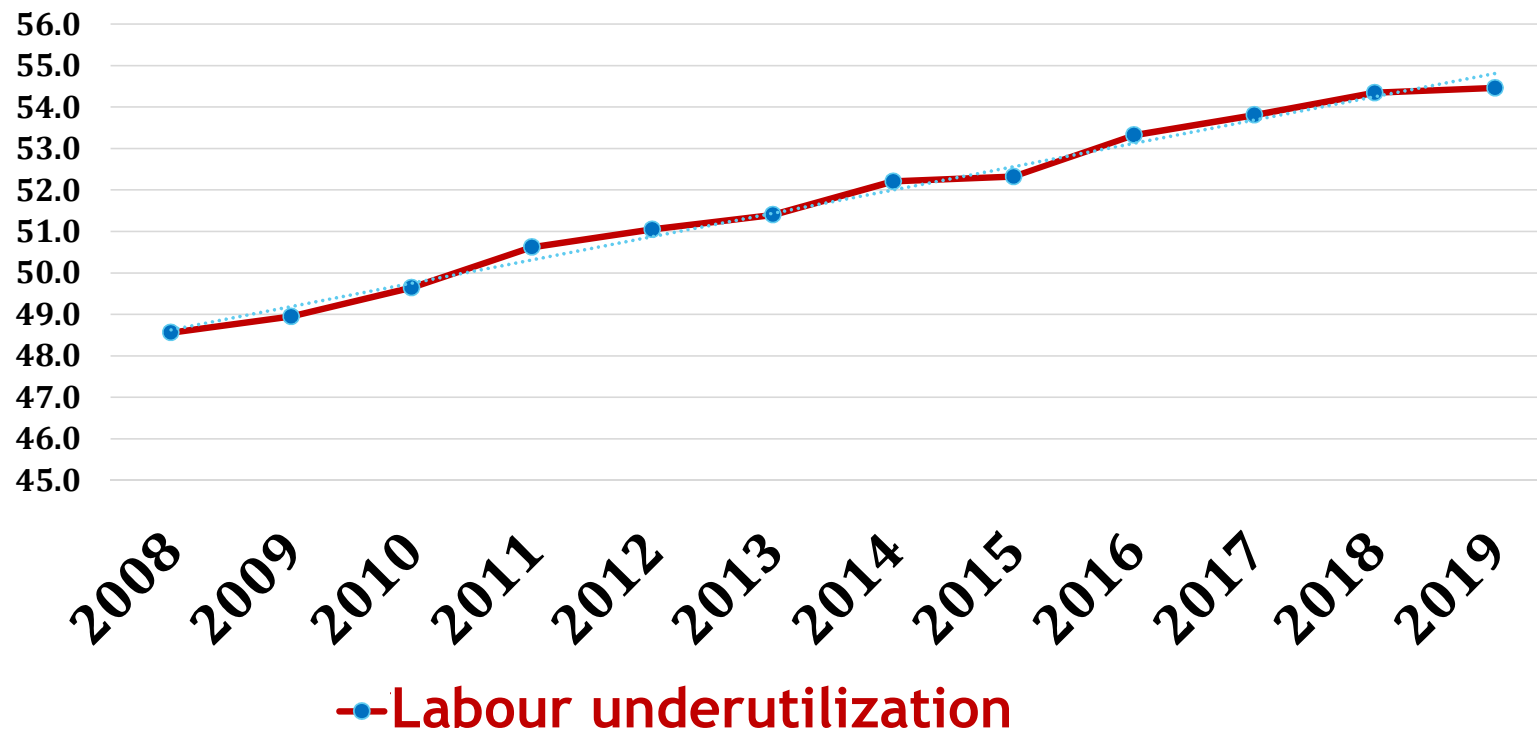
## 1. Persisting labour surplus in the national economy.

- ▶ *It is expressed as the sustained high growth of labour resources in comparison with employment growth, driven by limited capacity of the economy to form an appropriate level of labour demand. The average growth rate of the number of employed (1.1%) is almost half the labour resources growth rate indicator (2.1%);*
- ▶ *Every year, on average (in 2009-2019), only about a quarter (24.1%) of the growing labour resources is provided with employment.*

## Labour surplus indicator: Labour surplus is increasing



# Labour underutilization is increasing



# Current employment situation in Tajikistan: major challenges

## 2. Sustained contraction of the wage employment segment.

- ▶ *According to the LFS, the share of the wage segment of employment decreased from 52.2 % in 2009 to 34.8 % in 2016;*
- ▶ *According to official statistics, the proportion of wage employees decreased by 10 percentage points during 2000-2019 and amounted to 48.2 % in 2019;*
- ▶ *Nevertheless, over the last 5 years (2015-2019) this indicator has increased, but growth was uneven or even declining (2.3 % in 2015, and 1.5 % in 2019);*
- ▶ *The lowest wage employment rates are observed in the agricultural sector (33.6 %) and construction (40.3 %).*

## The proportion of wage employment in total employment is dropping steadily



## Current employment situation in Tajikistan: major challenges

### 3. Persistent high share (about 60 %) of the agricultural sector in the employment of population.

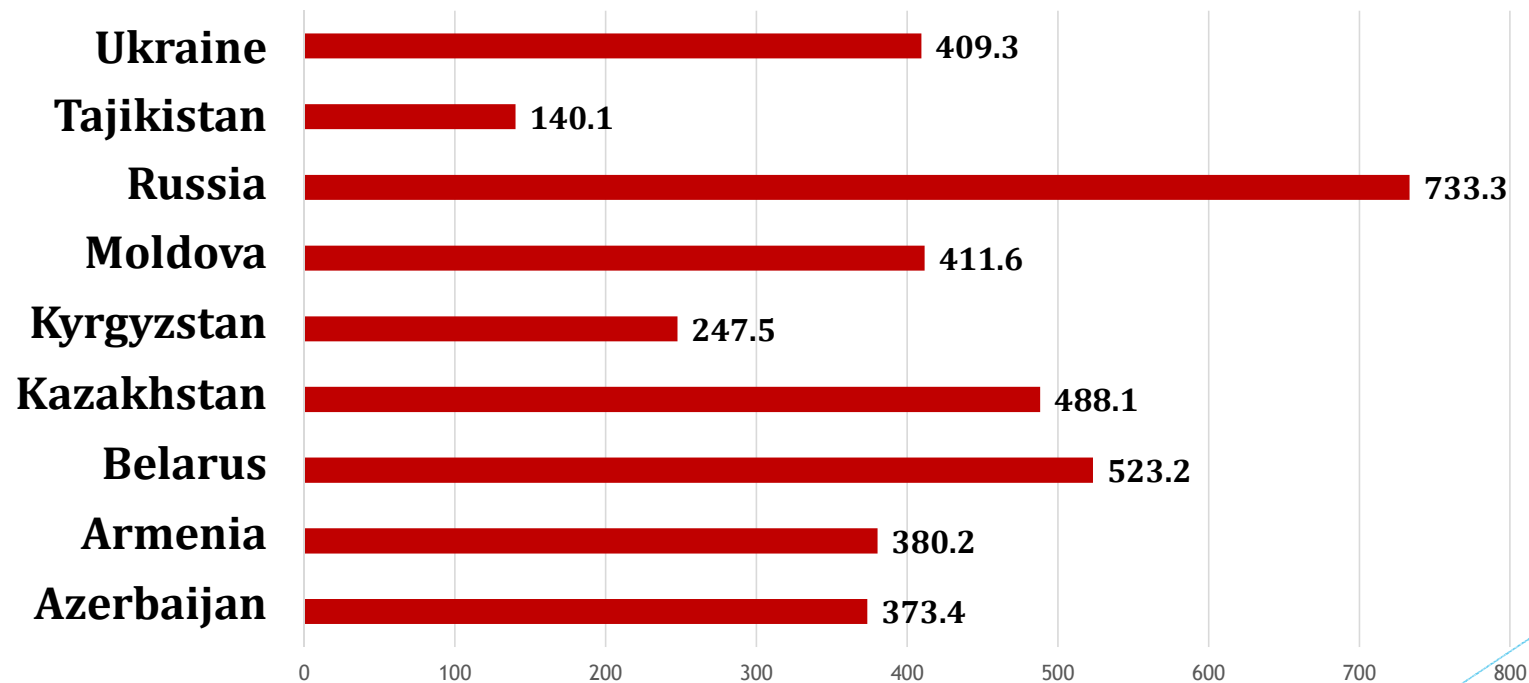
- ▶ *In accordance with official statistics, in 2000-2019, the share of the agricultural sector in total employment decreased by only 3.7 percentage points and amounted to 61.2 % in 2019 (this figure was 60.8% in 2018);*
- ▶ *The wage segment of employment is again dominated by the agricultural sector and the service sector, which cover 90 % of this segment almost equally (45 % each).*

# Current employment situation in Tajikistan: major challenges

## 4. Prevailing low wages in the wage segment of employment.

- ▶ *45 % of wage employees in the agricultural sector receive the lowest wages, which in 2019 were 2.5 times lower than the average for the entire economy;*
- ▶ *Almost three quarters of wage employees receive wages that are at least 1.5 times lower than the average for the entire economy;*
- ▶ *Despite the average annual growth rate (in 2008-2019) of nominal wages equal to 17.5 %, the wage in dollar terms is the lowest among Post-Soviet states;*
- ▶ *In particular, in 2019 this indicator was 1.8 times lower than in Kyrgyzstan, 3.5 times lower than in Kazakhstan and 5.2 times lower than in the Russian Federation.*

## Wages in dollar terms remain the lowest among certain countries



# Current employment situation in Tajikistan: major challenges

## 5. Persisting rather high proportion (56 %) of informal employment.

- ▶ *Despite the fact that the proportion of informal employment is gradually decreasing, this indicator (according to the LFS-16 results) is approximately 56 % including the agricultural sector;*
- ▶ *Moreover, the proportion of the formal sector in informal employment in 2009-2016 almost tripled and reached 13.7 % in 2016 compared to 4.8 % in 2009. Such negative phenomena of this magnitude are observed in all areas of the manufacturing sector.*

## Current employment situation in Tajikistan: major challenges

**6. Poor quality of labour resources (human capacity)**, stemming from low quality of education and healthcare at all levels.

- ▶ *Employers in the labour market note skills shortages and low quality of jobseekers' education;*
- ▶ *There is a shortage of qualified technical specialists, as well as persistently inadequate knowledge of foreign languages;*
- ▶ *General education is failing to prepare young people for entry into working life;*
- ▶ *Improved quality at all levels of education, financial sustainability and efficiency of the education sector are defined in the National Development Strategy-2030 among the human capital development priorities.*

# Current employment situation in Tajikistan: major challenges

## 7. Low educational requirements for jobs.

- ▶ *The proportions of persons with and without vocational education in the employed population during 2004-2016 remained stable at 30 % and 70 %, respectively. Consequently, more than 70 % of jobs and professional occupations do not require vocational education.*
- ▶ *This situation is primarily driven by low competitiveness of the national economy, accompanied by technological backwardness, low innovation activity, and a high degree of wear of assets.*

## Current employment situation in Tajikistan: major challenges

### 8. Low participation of women, youth, and persons with disabilities in employment.

- ▶ *The proportion of women in employment is gradually decreasing: in 2004-2016 this figure dropped by 13.1 %;*
- ▶ *There has been a consistent decline in the proportion of youth in total employment in 2004-2016 by 12.6 percentage points;*
- ▶ *The majority of the informally employed (88.2 %) are persons in the youth and post-youth age between 20 and 44;*
- ▶ *The adopted legislation and regulations designed to promote employment of persons with disabilities remain declarative.*

# Current employment situation in Tajikistan: major challenges

## 9. Uncontrolled and unstructured nature of external labour migration.

- ▶ *Almost twofold gap between employment growth and labour force growth, steady decline in the employment rate of labour resources, gradually narrowing capacity of the wage segment of employment, substantial proportion of the agricultural and low-wage segments of employment, as well as significant average wage gaps compared to other countries have all contributed to external labour migration from Tajikistan to foreign countries;*
- ▶ *In 2000-2019, temporary labour migration of the country's labour force took place with a 7.5 % average annual increase. In 2000-2010 this indicator amounted to 6.2%.*
- ▶ *97-98 % of migrant workers from Tajikistan work in the Russian Federation.*
- ▶ *In 2009-2019, the total number of labour migrants averaged 27.9 % of total employment and 59.7 % of the total wage employment within the country;*
- ▶ *The proportion of labour migrants with vocational education in 2004-2016 had reduced by more than half and decreased to 15.1 % in 2016.*
- ▶ *External labour migration mostly takes place without the assistance of migration agencies.*

## Current employment situation in Tajikistan: major challenges

**10. Absence of a fully developed system for collecting, processing and disseminating reliable information about the labour market, labour demand, and employment.**

- ▶ *Shaping of the PES's work and its efficiency do not respond to current employment challenges*
- ▶ *There is no comprehensive forecasting system for employment indicators, in particular the labour market;*
- ▶ *Weak coordination of employment statistics with statistics of taxation and social insurance, as well as with productive employment statistics;*
- ▶ *Irregular conduct of labour force surveys.*

**Thank you for your attention!**

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