

Impact Of The Establishment Of Industrial Zones On Employment

¹ Akhmedov Osimkhan Khurshidkhan oglu

²  Turgunov Jasurbek Alimardon oglu

¹ 1st year student of Economics, Uzbekistan

² PhD, associate professor, Uzbekistan

Received: 13 Dec 2025 | Received Revised Version: 30 Dec 2025 | Accepted: 12 Jan 2026 | Published: 31 Jan 2026

Volume 08 Issue 01 2026 | Crossref DOI: 10.37547/tajmei/Volume08Issue01-04

Abstract

This article analyzes the impact of new industrial zones created in the Fergana Valley of Uzbekistan on regional employment. Within the framework of the study, the formation of industrial zones, the dynamics of growth of industrial production volumes and their impact on the level of employment in Andijan, Fergana and Namangan regions will be studied on the basis of a cross-comparative analysis. The analysis assesses the relationship between official statistics, regional economic indicators, and industrial production volumes and employment. The results of the study also substantiate the need to take into account regional features in the development of industrial zones, to develop a differential industrial policy aimed at increasing the efficient use of labor resources and employment. The conclusions of the study have important practical value in improving the regional industrial policy, creating new jobs and increasing the socio-economic efficiency of industrial zones.

Keywords: Free economic zones, industrial zones, industrial zones, regional employment, industrial production, regional development, labor market, empirical analysis, industrial policy.

© 2026 Akhmedov Osimkhan Khurshidkhan oglu, & Turgunov Jasurbek Alimardon oglu. This work is licensed under a Creative Commons Attribution 4.0 International License (CC BY 4.0). The authors retain copyright and allow others to share, adapt, or redistribute the work with proper attribution.

Cite This Article: Akhmedov Osimkhan Khurshidkhan oglu, & Turgunov Jasurbek Alimardon oglu. (2026). Impact Of The Establishment Of Industrial Zones On Employment. The American Journal of Management and Economics Innovations, 8(01), 34–38. <https://doi.org/10.37547/tajmei/Volume08Issue01-04>

1. Introduction

In recent years, the issues of regional development of industry and ensuring sustainable employment in the global economy have become one of the priority areas of economic policy. In particular, the creation of industrial zones in developing countries is seen as an effective means of increasing production potential, attracting investment and creating new jobs in the labor market. According to research by the World Bank and UNIDO, industrial zones play an important role in boosting regional employment by accelerating economic activity.

In the Republic of Uzbekistan, at a new stage of economic reforms, one of the main tasks is to modernize the industry and narrow the gap between regional development. It also provides measures to support entrepreneurs for the development of small industrial zones, youth industrial and entrepreneurship zones. In this process, the newly created industrial zones are becoming the bastions of the regional economy, creating stable jobs in manufacturing and service sectors. The urgency of the issue of employment, especially in densely populated areas, further increases the socio-economic importance of industrial zones. The Fergana

Valley is one of the most densely populated regions of Uzbekistan and is characterized by a high share of labor resources. Labour market pressures are high in the region, and job creation is a critical factor in ensuring economic and social stability. Therefore, creation of industrial zones in Andijan, Fergana and Namangan regions is being implemented as an important strategic measure aimed at alleviating the problem of employment and increasing regional economic activity. However, practice shows that the impact of industrial zones on employment is not uniform across regions. While in some areas, industrial zones have created significant jobs, while in other areas, the impact remains relatively limited. This situation is directly related to such factors as industrial potential, level of infrastructure, investment climate and quality of labor resources. In this context, the assessment of the real impact of industrial zones on employment on the basis of empirical data is scientifically and practically relevant.

Industrial zones are a very effective tool in boosting employment. Including:

It will create new jobs;

Increases regional economic activity;

Provides opportunities for youth and women;

Supports local businesses.

The main purpose of this study is to analyze the impact of newly created industrial zones on regional employment on the example of the Fergana Valley. The study compares industrial production volumes and employment rates between regions, and identifies the impact of industrial zones on the labor market. The results serve as an important scientific basis for the development of practical recommendations for improving regional industrial policy, increasing employment.

2. Literature Review

In the scientific literature, the issue of the effect of newly created industrial zones on employment has been extensively studied by foreign researchers. In particular, the role of industrial zones in activating the regional labor market, creating new jobs and increasing employment of the population has been analyzed in many scientific studies. In these studies, industrial zones are evaluated as an important institutional mechanism for stimulating economic growth, attracting investment and ensuring employment. At the same time, a number of

foreign studies pay special attention to the issues of quality, sustainability and labor productivity of jobs created in industrial zones. It should be noted that in the scientific literature the role of the newly created industrial zones in increasing employment, creating new jobs and developing the regional labor market has been extensively studied by foreign researchers.

A. Aggarwal believes that the socio-economic impact of free economic zones, in particular the issues of employment creation, investment attraction and regional development, have been analyzed in depth. The author justifies that the positive impact of EIZs on employment is directly related to their effective management.

A report by the International Labour Organization assesses the impact of special economic zones on employment, working conditions and social protection. The report substantiates it with empirical evidence that industrial zones are an important tool in creating new jobs. According to studies by the World Bank and UNIDO, industrial zones serve to increase productive employment, but their effectiveness is directly related to the quality of regional infrastructure and labor resources.

In the scientific literature the question of the effect of newly created industrial zones on employment is reflected in the scientific views of researchers from Uzbekistan Sh. Mustafakulov and other local researchers. They believe that the efficiency of industrial zones should be judged not only by the number of jobs created, but also by the quality of these jobs, productivity and long-term sustainability. The authors emphasize the need to develop a training system for the implementation of employment policy through industrial zones.

3. Methodology

The data for industrial zones published by the National Committee on Statistics of the Republic of Uzbekistan were used in the study. The analysis was carried out in the cross-section of Andijan, Fergana and Namangan areas. Methodologically, the impact of industrial production on employment was assessed by applying regional comparison and descriptive statistical approach. This approach makes it possible to identify industrial potential differences between regions.

4. Results

The analysis of statistical data shows that among the Fergana Valley regions Andijan region is the leader in terms of industrial production. In particular, in January-

November 2025, industrial products worth 94.9 trillion soums were produced in the Andijan region, while in Fergana region this figure amounted to 50.0 trillion soums, and in Namangan region - 34.2 trillion soums. These differences are explained by the relatively developed industrial zones and production infrastructure

in Andijan region. High industrial production contributes to the creation of new jobs in manufacturing, logistics and ancillary services in the region. In Fergana and Namangan regions, the impact on employment is relatively low, which is due to differences in the level of industrial potential and infrastructure. (Table 1)

Table 1. The main indicators of free economic zones in the Fergana Valley

Area	EIZ name	Total area (hectares)	Number of available projects	Area size where existing projects are located (hectares)	Total available area (hectares)
Andijan	Andijan Farm EIZ	40,5	21	28,4	12,2
	Special industrial area specialized in engineering and electrical technology	83,7	19	75,5	8,2
	Ipak yo‘li EIZ	201,0	12	57,4	143,6
	Andijan texnopark	98,2	-	-	98,2
Namangan	NamanganEIZ	376,3	36	218,9	157,5
	Kosonsoy Farm EIZ	12,4	10	9,9	2,5
Fergana	KokandEIZ	497,3	147	350,8	146,6
	Kokand texnoparki	190,2	5	15,0	175,2

The table data show significant discrepancies in the territorial location of free economic zones (FEZs) and technoparks located in the Fergana Valley and their areas occupied by existing projects. In particular, there are several large industrial zones in the Andijan region, the total area of which and the number of available projects testify to the high level of regional industrial development. The area where the existing projects are located in "Andijan Farm EIZ" and "Special industrial zone specialized in engineering and electrical engineering technologies" in Andijan region makes up a large part of the total area. In particular, 75.5 hectares of the total area of 83.7 hectares in the special industrial zone are occupied by projects, which indicates the high activity of industrial activity and the high employment potential of this zone. At the same time, in Silk Road EIZ relatively less area is occupied with projects, which means that in the future there are opportunities to attract new investments and create additional jobs.

On the example of Namangan region, Namangan FEZ is one of the largest areas, with 218.9 hectares of the total area of 376.3 hectares are the existing projects. This

shows the expansion of industrial production in the region and the important role that this zone plays in increasing employment. Kosonsoy Farm EIZ, on the other hand, has a relatively small area, but the share of the area in which existing projects are located is high, reflecting the regional specialization of the pharmaceutical sector. Kokand EIZ, located in the Fergana region, is one of the largest zones in the schedule and most of its total area is occupied by projects. Notably, the large number of available projects means that industrial production in the area is highly developed and has a significant impact on employment. At the same time, the low area of the Kokand Technopark relative to the total area of the existing projects indicates that the potential of the technopark is not fully utilized and there are opportunities to increase employment through further innovative projects.

Overall, a table-based analysis shows that the employment impact of EIZ and technoparks is directly related to their total area as well as the number of available projects and the share of the area where the projects are located. In areas with a high area share where

existing projects are located, industrial activity is becoming more active and employment opportunities are expanding. This once again confirms the importance of

increasing the efficiency of the use of industrial zones in the formation of regional industrial policy.

Table 2. Linkages between the development of new industrial zones and regional employment

Indicators	Notes
Increase in the number of industrial zones	New jobs will be created due to commissioning of new manufacturing facilities
Growth of industrial production	Production expansion provides continued employment
Investment	The introduction of new technologies will increase the demand for skilled labor
The level of development of industrial infrastructure	Transport and communication networks stabilize employment
Human resources potential	Regional labor market opportunities have an impact on employment growth
Effectiveness of regional industrial policy	Incentive mechanisms serve to increase employment

The analysis shows that the impact of industrial zones on employment is closely related not only to their number, but also to the efficiency of enterprises located in these zones, stable growth of production volumes, and the level of modernization of applied technologies. Enterprises producing high value-added products in industrial zones and operating on the basis of innovative technologies serve to increase employment not only quantitatively, but also qualitatively.

Also, increased investment will create opportunities for expanding production capacities, launching new enterprises and modernizing existing ones. This will create new jobs, increase labor productivity and provide the population with stable sources of income. Introduction of modern technologies increases the demand for skilled labor and favors the formation of quality employment in the labor market.

5. Conclusion

In conclusion, the newly created industrial zones in the Fergana Valley are emerging as an important socio-economic factor in increasing regional employment. It has been found that the impact of industrial zones on employment is manifested not only through direct job creation but also through indirect employment expansion. Also, the conducted statistical and comparative analysis showed that the efficiency of

industrial zones is closely related to the level of development of regional infrastructure, the investment climate, and the level of qualification of available labor resources. In this regard, it is important to combine the policy for the development of industrial zones with regional infrastructure projects and training programs. As a practical recommendation, it is advisable to introduce additional incentive mechanisms in regions with relatively low industrial potential, as well as to strengthen measures aimed at ensuring the quality and long-term sustainability of jobs created.

References

1. Farole T. Special Economic Zones and Economic Development: A Global Review. – World Bank, 2011
2. Aggarwal, A. (2012). Social and economic impact of SEZs in India. Oxford University Press.
3. Zeng D. Z. Global Experiences with Special Economic Zones: Focus on China and Africa. – World Bank, 2015
4. World Bank. Special Economic Zones: An Operational Review of Their Impacts. – Washington, DC, 2017.
5. UNIDO. Industrial Parks, Industrial Zones and Employment Creation. – Vienna, 2019.
6. Abdurahmonov X. A. Mehnat bozori va aholi bandligi: nazariya va amaliyot. – Toshkent:

Iqtisodiyot, 2018.

7. Xodiev B. Yu. Iqtisodiyotni modernizatsiyalash sharoitida sanoatni rivojlantirish masalalari. – Toshkent: Fan, 2019.
8. Mustafakulov Sh. Sanoat zonalarining hududiy iqtisodiy rivojlanishga ta'siri. // Iqtisodiyot va innovatsion texnologiyalar, 2020, №4.
9. O'zbekiston Respublikasi Qonuni. "Maxsus iqtisodiy zonalar to'g'risida". – O'RQ-604, 17.02.2020.
10. O'zbekiston Respublikasi Prezidentining sanoat zonalarini rivojlantirishga oid farmon va qarorlari. – lex.uz rasmiy huquqiy axborot portali.
11. www.ilo.org – Xalqaro mehnat tashkilotining rasmiy veb-sayti