



## ANALYSIS OF INTERNATIONAL EXPERIENCE IN INCREASING THE EMPLOYMENT RATE OF THE POPULATION IN UZBEKISTAN

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**Abstract:** *This study examines international experience in employment enhancement and labor market regulation, analyzing five distinct national models: American, Swedish, British, German, and Japanese. The research employs dialectical methods, comparative analysis, and systematic approaches to evaluate the applicability of these models to Uzbekistan's socio-economic context. For Uzbekistan, with its young population, developing economy, and specific labor market challenges, the study recommends a hybrid approach that combines active state involvement with regional autonomy, emphasizes vocational counseling infrastructure development, and prioritizes small and medium enterprise support. The findings contribute to understanding how international employment practices can be adapted to transition economies facing demographic pressures and technological transformation.*

**Keywords:** *employment policy, labor market regulation, international experience, comparative analysis, employment models, vocational training, social partnership, workforce development*

### INTRODUCTION

Increasing employment, coordinating and regulating the labor market constitute an integral component of the management functions implemented by government authorities to ensure a balance between labor supply and demand (Weil, 2019). In any country worldwide, labor market management represents an essential element of social and economic policy (ILO, 2023).

In developed countries, all processes occurring in labor markets regarding employment enhancement are based on

the principles of social partnership (Doellgast et al., 2022). Historically, there has always been a contradiction between social partnership and class struggle (Johnstone & Wilkinson, 2021). In contemporary times, such contradictions are no longer as acute, which is associated with the improvement of living standards in developed countries. In developed nations, the middle class comprises 70-80% of the population (OECD, 2024). Therefore, the principles of social partnership have



increasingly been employed to strengthen political stability within countries.

### METHODOLOGY

The research process utilized dialectical methods, scientific abstraction, analysis and synthesis, induction and deduction, historical and logical approaches, graphical representation, forecasting, expert assessment, and hierarchical analysis methods (Creswell & Creswell, 2023). The comparative institutional analysis framework was employed to examine employment systems across different national contexts (Hall & Soskice, 2001).

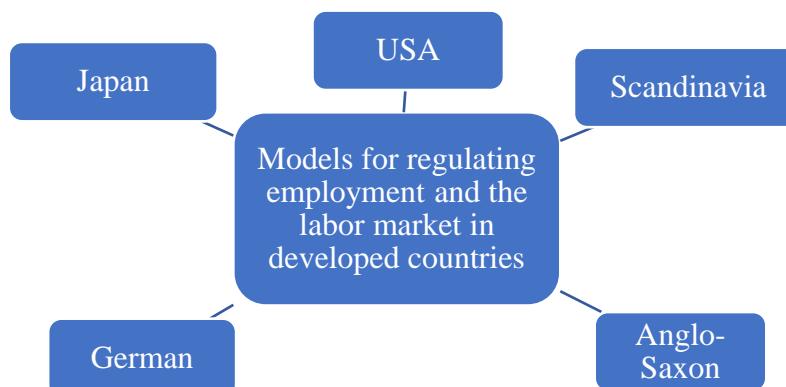
Ethical considerations guided the research process, particularly regarding the interpretation of international experiences for developing country contexts. The analysis avoids both uncritical adoption of "best practices" and dismissive rejection of foreign experiences, instead pursuing contextually-informed adaptation that respects Uzbekistan's specific

circumstances, capabilities, and development priorities.

### RESEARCH

In developed countries, policies aimed at increasing employment are implemented in the following directions: assistance is provided in job placement and vocational retraining of the unemployed population; flexible forms of employment are encouraged (Burgoon et al., 2022).

Based on contemporary international experience, several models of employment enhancement and labor market regulation are most distinctly expressed, namely: the American model, characteristic of the United States; the Swedish model, typical of Scandinavian countries; the Anglo-Saxon model, applied in Great Britain, Ireland, and Canada; the German model, implemented in Germany, Austria, Belgium, and also in Japan (Figure 1.) (Esping-Andersen, 1990; Hassel & Palier, 2021).



**Figure 1. Models of employment and labor market regulation in developed countries**

The regulation of the labor market in the United States is distinguished by its flexibility from a legislative framework

perspective, with broad powers granted to local authorities for coordinating employment and social security issues



(Kalleberg, 2020). Additionally, it provides opportunities for personnel dynamics and general professional development of employees, as well as wage formation based on employee experience and qualifications.

The foundation of this model is the encouragement of labor activity and workers' willingness to accept irregular work schedules (Vallas & Schor, 2020). Numerous corporations in the United States utilize various methods on their websites aimed at enhancing worker activity to improve work organization (quality of labor). One such method involves engaging workers in production management to identify problems affecting production efficiency and product quality, organizing them into quality groups, training circle members in statistical quality control methods, analyzing problems, and developing optimal solutions.

The development of innovative information and communication technologies indicates a reduction in enterprises and organizations in the labor market, particularly postal workers, bank employees, and other positions that do not require high qualifications (Acemoglu & Restrepo, 2020). In the United States, administrative and management personnel decreased by 5.2%, or 1.2 million people, over the past year. Scholars analyzing employment prospects in the labor market have determined that by 2050, 80% of jobs in the US automotive industry, 60% in light industry, 45% in healthcare, and 30% in

tourism will be automated (Frey & Osborne, 2017).

Qualitative changes are occurring in the composition of jobs created in the United States. Existing jobs are being redistributed in favor of highly skilled labor. 50-60% of newly created jobs are intended for managers and specialists. Overall, while 10% of jobs in US industry are being reduced annually, 9% new jobs are being created in their place. These new jobs are also intended for highly qualified employees. Jobs being reduced in production are being filled by new jobs in the service sector. In particular, 80% of the 10 million jobs created in the United States over the past 10 years fall directly within this sector. In the United States, high mobility of labor resources among enterprises for employment, relatively high unemployment rates compared to some countries (Japan and Sweden) due to the influence of the external labor market, while guarantees exist in the internal labor market, provide evidence of this situation (Cappelli & Keller, 2020). For example, the transnational company "IBM" guarantees lifelong employment for its employees, continuous income growth, and strong social protection.

In the United States, great attention is paid to preparing youth for vocations and specializations. Under the country's Ministry of Labor, 2,200 career guidance and vocational selection centers have been established. Annually, more than 1 million adolescents are attracted to these centers. This system enables a 30-40% reduction in personnel training costs.



Each dollar spent on vocational selection yields an economic return of 1,000 dollars.

The main advantage of the American model lies in the high flexibility of the labor market and broad powers granted to local authorities. The following elements of this experience may be useful for Uzbekistan: granting more powers to regional and district administrations for labor market regulation, creating opportunities for wage formation according to local conditions.

However, the negative aspects of this model must also be considered. American experience demonstrates that excessive liberalization of the labor market leads to inadequate social protection for workers. The annual reduction of 10% of jobs in the United States and the creation of only 9% new ones causes consistently high unemployment rates. In Uzbekistan, considering its young population and existing unemployment problems, such a radical approach could lead to additional social tensions.

The advantage of the Swedish management model is that it ensured full employment of the able-bodied population (Anxo et al., 2019). The successful solution was achieved through fiscal policy instruments that limited the income of leading enterprises, allowing competition with lower-income enterprises. Additionally, patronage is provided for employees lagging in their work; a "solidarity wage policy" is implemented, meaning equality for the

same work regardless of enterprise income (Bengtsson, 2020). The positive aspect of the Swedish model is that it implements preventive measures to prevent consequences rather than combating them. In Sweden, employment policy expenditures comprise 3% of GDP and 7% of the budget. This has enabled the achievement of full employment. In Sweden today, there exist state territorial companies that participate in processes such as enterprise reconversion and organization of new product manufacturing, support for small and medium enterprises, which in turn solves employment problems (Berglund & Schedin, 2022).

The Swedish model is noteworthy for its success in achieving full employment. The most interesting aspect for our country is spending 3% of GDP on employment policy and giving priority to preventive measures. In Uzbekistan, it is also advisable to develop active policy measures and establish a system focused on unemployment prevention. The role of state territorial companies in Sweden in supporting small and medium enterprises may be a useful experience for the emerging entrepreneurship and small business development incentive system in Uzbekistan. However, not all aspects of the Swedish model can be applied. The "solidarity policy" (equal pay for equal work regardless of enterprise income) may reduce production efficiency and weaken competitiveness in developing economy conditions. Additionally, the policy of limiting leading enterprise



income may negatively affect foreign investment attraction.

Great Britain also implements quite effective labor market regulation policy (Rubery & Piasna, 2024). The current policy on labor market regulation in Great Britain consists of several important components: (a) increasing the competitiveness of women and youth in the labor market through training and retraining; (b) improving unemployment insurance funds and developing the social security system. For entrepreneurs in England, legislation provides for mandatory contributions to centralized funds. These deductions are directed toward worker retraining, and companies that retrain their workers are encouraged.

In England, the state and trade unions practically do not interfere in labor market regulation policy. Courts and judicial employees protect interests. Courts consider all issues related to regulating relations between employees and employers, including violations of contract terms regarding working hours, hiring, wages, working conditions, and others (Williams & Heery, 2023). Labor disputes are considered based on and within the framework of existing judicial practice in the country. All disagreements between employee and employer are considered by a judge and jury, who fully examine the causes and circumstances of the disagreement and make decisions. This system has developed throughout British history and is still applied today. A noteworthy aspect of British experience is the program to increase the

competitiveness of women and youth in the labor market through training and retraining. In our country, increasing women's employment is an important task, and British experience can be utilized in this area.

The judicial review system for labor disputes may also be beneficial for Uzbekistan, as it ensures protection of both worker and employer rights. However, the negative aspect of the British model is the limited active role of the state in the labor market, which may be insufficient in developing economy conditions.

The main objective of the German labor market is to ensure permanent employment of the able-bodied population (Eichhorst et al., 2022). The country provides consulting services to the population on job search issues, assists in personnel training and retraining, and concludes tariff agreements. The state also implements a policy that excludes gender differences in unemployment assistance. Furthermore, employers receive state assistance when forced to reduce production. The state also assists employers who provide employment to retirees, disabled persons, and women granted maternity and childbirth leave.

The most valuable aspect of German experience is the labor relations system based on social partnership principles (Baccaro & Howell, 2021). For Uzbekistan, developing vocational counseling services, ensuring gender equality, and incentive mechanisms for



employers to assist disabled persons and retirees with employment are of paramount importance. A noteworthy aspect of the German model is state support for employers when forced to reduce personnel. In our country, it is also necessary to create such mechanisms for workforce redistribution and retraining during enterprise restructuring processes.

In Japan, the state employment service (Public Employment Service Office - PESO) holds particular advantage in mediating between employers and the unemployed (Kawaguchi & Ueno, 2023). Japan has adopted labor legislation that constitutes a complex of effectively functioning measures ensuring employment. The Japanese employment model is based on state protection of employment while ensuring high labor productivity of employees. For hired employees, the guarantee of stable employment serves as the main incentive for their labor activity motivation and personal success achievement. For employers, the most important aspect is their ability to fulfill obligations to their employees. In the Japanese model, employee mobility is very active, but it has a vertical rather than horizontal character, meaning employees prefer promotion within their own company rather than moving to a more profitable enterprise (Kato & Kodama, 2020).

Another important feature of this model is the planned formation of employment policy. At the legislative level, long-term and annual employment

plans are developed and approved for Japan's prefectures, serving as guidelines for practical activities. These plans aim to forecast changes in the employment sphere—population aging, increasing numbers of foreign labor migrants, growth of employed women, etc.—and implement proportionate measures for these changes. Special attention is directed toward lifelong learning to continuously improve employees' professional skills for competitiveness in the labor market (Yamamoto, 2021). In Japan, the state comprehensively supports the following employers:

- those who send employees for training to improve qualifications and retrain;
- those who do not terminate labor contracts with employees who have reached retirement age;
- those who hire disabled persons and citizens experiencing objective difficulties in employment;
- those who send older employees to state institutions for retraining while maintaining their wages;
- those who provide leave to women raising children and hire women dismissed due to pregnancy.

The most important aspect of Japanese experience is planned labor market development and long-term forecasting. In Uzbekistan, it is also advisable to develop long-term employment plans for each region and continuously improve them. The lifelong learning system for employees in Japan should also be implemented in our



country, especially given the rapid development of digital technologies. The experience of establishing 2,200 career guidance centers and attracting more than 1 million adolescents annually is necessary for strengthening the connection between education and the labor market in our country.

However, the negative aspect of the Japanese model is limited horizontal mobility. The difficulty of employee transition from one enterprise to another slows the spread of innovative ideas and reduces labor market dynamism. For a developing country like Uzbekistan, this may have a negative impact.

Economists conducting research worldwide have utilized various research methodologies; in particular, during their studies, they extensively employed analytical and systematic approaches, complex assessment, comparative analysis, statistical and dynamic approaches, and grouping methods to study economic systems and relationships for improving the reliable database for effectively developing the labor market, its infrastructural components, and ensuring their effective interconnection, and obtained relevant conclusions on effectively developing the labor market and increasing efficiency in utilizing employment services (Cantillon et al., 2021).

Russian economists in their scientific research emphasize that demographic factors occupy a special place in the demand and supply of labor resources for effective labor market

development—population size, its composition by gender and age, birth rate (Vishnevsky & Shcherbakova, 2019). In particular, several factors of demographic factors' impact on employment can be distinguished: first, population growth forces the search for new territories for subsistence; second, depending on population density, specific demographic pressure on nature is observed: the involvement and consumption of natural resources in production increases, and the environment becomes polluted.

## ANALYSIS AND DISCUSSION

Considering the specific characteristics of our country's labor market, it is advisable to create a hybrid model (Thelen & Busemeyer, 2020). This model should encompass the following elements:

First, based on Japanese and Swedish experience, the active role of the state should be maintained, but following the American model, broader powers should be granted to local authorities. Each region can develop a labor market development strategy according to its economic specialization and demographic characteristics.

Second, utilizing German and Japanese experience, it is necessary to develop a vocational counseling services system and pay special attention to personnel training and retraining (Cedefop, 2020). Particularly in digital economy conditions, continuously improving workforce qualifications is of paramount importance.



Third, following Swedish experience, it is necessary to strengthen the state support system for developing small and medium businesses. This represents the main source of creating new jobs (Shane, 2024).

The experiences of developed countries in increasing employment provide valuable lessons for Uzbekistan, but they cannot be mechanically

replicated. Each model has formed in the context of its own socio-economic conditions, historical development path, and cultural characteristics (Emmenegger et al., 2022). Therefore, a scientific approach and critical analysis are necessary when adapting foreign experiences to our country's conditions (Table 1.).

**Table 1.**

**Proposals for improving economic strategies to enhance employment in an innovation economy**

Economic Strategy	Implementation Measures in Uzbekistan	International Experience and Outcomes
1. Development of Innovation Clusters	<ul style="list-style-type: none"> <li>– Establish IT clusters, biotechnology clusters, and agrotechnology clusters in Tashkent, Samarkand, and Fergana Valley based on economic-geographical resources;</li> <li>– Create cluster ecosystems integrating research institutes, universities, and business incubators around technoparks and IT parks;</li> <li>– Provide tax incentives, subsidies, and grant programs for cluster participants;</li> <li>– Establish specialized training laboratories for STEM education and innovative professions</li> </ul>	<p>South Korea – Daedeok Innopolis: 30 major research centers, 20,000 scientists, 1,600+ companies; the cluster contributes 8% of national GDP.</p> <p>Singapore – One-North: ICT, biotech, and media technology clusters; created over 50,000 high-skilled jobs.</p> <p>Germany – Munich High-Tech Cluster: innovations developed within the cluster increased industrial productivity by 25%.</p>



	<p>within cluster territories;</p> <ul style="list-style-type: none"> <li>– Implement "one-stop-shop" management systems for cluster operations.</li> </ul>	
<p>2. Expansion of STEM and Digital Skills Training</p>	<ul style="list-style-type: none"> <li>– Increase the number of Presidential schools, specialized STEM centers, and technical lyceums in all regions;</li> <li>– Significantly increase grant allocations for IT, mechatronics, bioengineering, and robotics programs at higher education institutions;</li> <li>– Implement "corporate education" models in partnership with employers;</li> <li>– Support private EdTech companies through special licenses and subsidies;</li> <li>– Organize 6-month intensive IT Bootcamp programs for youth and women;</li> <li>– Establish residency programs, preferential mortgages, and special grants for STEM professionals;</li> <li>– Implement dual education with the private sector;</li> <li>– Develop a national</li> </ul>	<p>Finland: STEM education coverage reaches 80%; the "Coding from Kindergarten" program achieved 95% digital literacy within 15 years. Estonia: Highest ratio of IT specialists per capita in Europe; the "e-School" system improved educational efficiency by 20%. India – IIT Model: 60–70% of IT graduates employed in the innovation sector; the country's IT exports reach \$150 billion. Spain – Women in Tech: women's participation increased from 18% to 40%. Ireland: women's representation in STEM education reached 35%.</p>



	<p>catalog of innovative professions;</p> <ul style="list-style-type: none"> <li>– Create continuous professional development platforms;</li> <li>– Launch IT Bootcamps for women;</li> <li>– Establish STEM centers for girls;</li> <li>– Provide startup grants for youth;</li> <li>– Implement flexible work schedules for women in enterprises.</li> </ul>	
<p>3. Development of Platform Labor and Freelance Markets</p>	<ul style="list-style-type: none"> <li>– Create and certify local freelance platforms (UZwork, Workly, Freelance.uz) by the government;</li> <li>– Transition freelance activities to simplified tax regimes;</li> <li>– Provide entry grants for youth and women into freelancing;</li> <li>– Offer specialized courses in remote-work professions such as IT, design, translation, SMM, and accounting;</li> <li>– Develop special partnership programs with international platforms (UpWork, Fiverr) for Uzbekistan.</li> </ul>	<p>USA – UpWork: 18 million freelancers; platform labor constitutes 6% of US GDP.</p> <p>India: 3 million freelancers; government supports freelancing as an export sector; IT freelance exports reach \$40 billion.</p> <p>Philippines: Government established freelance academies; 1.5 million remote workers, 70% of whom are women.</p>

## CONCLUSION

The analysis of international experience in employment enhancement

reveals distinct national models, each reflecting specific socio-economic contexts and historical trajectories. While



the American model emphasizes labor market flexibility and decentralization, the Swedish approach prioritizes full employment through active state intervention. The British model relies on judicial mechanisms for labor dispute resolution, whereas the German system emphasizes social partnership principles. The Japanese model distinguishes itself through planned employment policy and lifelong learning initiatives.

For Uzbekistan, the optimal approach lies not in wholesale adoption of any single model, but rather in

selective integration of elements most compatible with national conditions. Priority should be given to strengthening vocational counseling infrastructure, expanding regional autonomy in labor market regulation, and establishing comprehensive support mechanisms for small and medium enterprises. The challenge ahead involves balancing state intervention with market flexibility while addressing the specific needs of a young, growing population in the context of rapid technological change and digital transformation.

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