

EVOLUTION OF THE CONCEPT OF DECENT WORK IN UZBEKISTAN: FROM A PLANNED ECONOMY TO DIGITAL TRANSFORMATION

Nurmatov Dilshadbek Nabizhanovich

Andijan State University

PhD in Economics, Professor of the Department of Economics

E-mail: DNN71@mail.ru, +99890 259 10 71

Abstract. This article explores the evolution of the decent work concept in Uzbekistan, analysing its transformation from the legacy of the planned economy to the challenges and opportunities associated with digitalization. The paper reveals how the understanding and implementation of decent work principles formulated by the International Labour Organization (ILO) have adapted to the unique socio-economic conditions of the country. The author traces the key stages: from the formal provision of employment in the Soviet period to the difficult conditions of the transition period and, finally, to modern reforms aimed at liberalization and digitalization of the labour market. Particular attention is paid to the impact of digital technologies on employment, wages, social protection and social dialogue. The methodological basis of the study was historical and comparative analysis, systems approach and statistical data. The results show that, despite significant progress, Uzbekistan faces the need to further adapt the institutional environment and educational system to ensure decent work in the context of a rapidly changing digital economy.

Keywords: decent work, working conditions, employment, digitalization, labor market, social protection, ILO.

Introduction

The concept of decent work, put forward by the International Labour Organization (ILO), is one of the key guidelines for global economic and social policy. It includes four main aspects: productive employment, rights at work, social protection and social dialogue.

For developing economies such as the Republic of Uzbekistan, the transition from a centrally planned system to a market and then to a digital economy presents a unique challenge to implement these principles.

Historically, labor policy in Uzbekistan has been defined by the ideology of "full employment" characteristic of the Soviet Union. However, despite formally low unemployment, this system often failed to provide all the components of decent work, in particular workers' rights and free social dialogue [1]. With independence in 1991, the country began a complex process of market reforms that led to the emergence of new forms of employment and, at the same time, to the growth of informal employment and challenges in the area of social protection [2].

In recent years, as part of the "New Uzbekistan" strategy, the country has set a course for accelerated digitalization of the economy. This process, which has received a powerful impetus, creates both new opportunities (platform employment, remote work) and serious risks (obsolescence of skills, cybersecurity, income instability) [3].

The purpose of this article is to analyze the evolution of the concept of decent work in Uzbekistan at three key stages: the Soviet period, the transition period (1991-2016) and the period of digital transformation (2017 to the present). The objectives of the study are:

- ✓ identify key characteristics of the labor system at each of the three stages;

- ✓ to identify the challenges and opportunities that digital transformation creates for the creation of decent work;
- ✓ to propose recommendations for adapting the policies and institutional environment of Uzbekistan to new conditions.

Literature Review

There is a consensus in the Uzbek academic community that digital transformation is not just a technological trend, but a fundamental shift in social and labor relations. A number of studies conducted at leading universities and research institutes highlight the following key aspects. According to Professor A. Azizov, in the digital economy, "human capital is becoming the main factor of production, and investment in education and retraining of the population is the main strategic task of the state" [4]. This means that the concept of decent work in Uzbekistan should be inextricably linked with the continuous development of skills. Legal scholars such as Dr. D. Rakhimov note the urgent need to adapt labor legislation to the realities of platform and remote employment. It is emphasized that "the lack of a clear legal status for platform workers creates conditions for their exploitation and deprives them of basic social guarantees" [5]. Economists, including B. Karimov, are calling for the creation of new, flexible mechanisms for social dialogue that would include representatives of platforms and workers employed in the digital sector. In their opinion, "traditional trade unions cannot always effectively represent the interests of freelance workers, which requires innovative approaches to collective representation" [6].

The International Labour Organization (ILO) is also actively studying the impact of digital platforms on employment and working conditions in Central Asia [7]. In its reports, the ILO emphasizes the need to develop policies that would ensure social protection and labor rights for workers in the informal economy.

Comparing Uzbekistan's experience with international practices, it can be noted that many developed countries also face similar problems in regulating the platform economy and ensuring social protection. However, unlike them, Uzbekistan has a unique potential based on a young and able-bodied population, which, with the right policies, can become a key advantage in the digital economy. [8]. World Bank studies also focus on reforms in the area of social protection and the labor market [9].

Methods

The research is based on a multidisciplinary approach, combining historical-comparative, systemic and statistical methods.

Historical and comparative analysis was used to study the evolution of labor relations in Uzbekistan in different historical periods, comparing them with international standards of decent work. This allowed us to identify continuity and gaps in employment policy, as well as to assess how the country has adapted to changing global economic trends.

The systemic approach allowed us to consider the labor system as a set of interconnected elements: the labor market, legislation, the education system, social protection and social partnership institutions. This approach makes it possible to assess the comprehensive impact of digitalization on all components of decent work.

The statistical analysis was based on data from the State Statistics Committee of the Republic of Uzbekistan, the Ministry of Employment and Poverty Reduction, as well as reports from international organizations such as the ILO and the World Bank [10].

Key indicators were analyzed, including employment rates, labor force structure, average wages, poverty rates and inequality indices.

Content analysis was used to study legal acts governing labor relations, state programs such as the Development Strategy of the New Uzbekistan, and scientific publications on the topic. This made it possible to assess the country's institutional readiness for the challenges of the digital economy.

Analysis and results

Soviet period: "Full employment" and its limitations. During the Uzbek SSR, labor policy was based on the principle of "the right and duty to work", enshrined in the Constitution. Employment

was almost 100%, and unemployment was officially absent. However, as research shows, this system had a number of fundamental limitations in terms of the concept of decent work:

- ✓ *workplace rights*: trade union rights were limited and independent social dialogue was virtually non-existent;
- ✓ *wages*: wages were strictly regulated by the state and often did not reflect real labor productivity;
- ✓ *quality of jobs*: a significant proportion of employment was in low-productivity, labour-intensive sectors, which did not meet the criteria for productive employment.

Transition period (1991-2016): Market reforms and new challenges . After gaining independence, Uzbekistan began a gradual transition to a market economy. Privatization and liberalization led to the emergence of a private sector, but this was accompanied by an increase in informal employment and hidden unemployment [11] .

The era of digital transformation (2017 to present): Opportunities and new risks . Uzbekistan’s current development strategy focuses on digitalization as a key driver of economic growth. This process has a profound impact on all aspects of decent work:

- *new forms of employment* : the active development of digital platforms has led to the growth of platform employment (e.g. taxis, delivery), creating flexible but often unstable jobs [12] ;
- *Skills requirements* : The demand for digital skills and soft skills (communication, critical thinking) has increased dramatically. The government has launched programs such as “One Million Coders,” but the gap in access to education between urban and rural areas remains significant;
- *Social protection* : the existing social protection system is poorly adapted to new forms of employment. Platform workers often lack access to pensions, health insurance and paid leave;
- *social dialogue*: the emergence of new forms of employment complicates traditional social dialogue between workers, employers and the state, as platform workers are often not unionized.

For a more detailed analysis of the current state of the labor market in Uzbekistan, let us turn to current statistics, which demonstrate significant progress and remaining challenges.

Unemployment rate: As of early 2024, the unemployment rate in Uzbekistan has dropped to **6.8%** , compared to **8.1%** in 2023. This indicates the success of measures to stimulate employment and create new jobs [13] .

Informal employment: the share of informal employment in the total employed population has decreased significantly. Thus, in 2020 it was about **55%** , while in 2024 this figure is estimated to have decreased to **33%** . However , this is still a significant part of the working population deprived of social guarantees.

Growth of the IT sector: The information and communications technology (ICT) sector is growing rapidly. Between 2017 and 2023, the volume of services in this area has tripled, and IT services exports reached **\$344 million by the end of 2023** , which is 22 times more than in 2020.

Number of IT specialists: by 2024, the number of people employed in the ICT industry exceeded **100 thousand people** , which is the result of the implementation of state programs such as “One Million Programmers”.

Share of digital economy in GDP : Despite active development, the share of digital economy in Uzbekistan’s GDP remains relatively low. In 2024, it was **2.7%** , which is significantly lower than in the United States (**10.9%**) or China (**10%**). This indicates potential for further growth.

Table 1

**Comparative analysis of the stages of evolution of the concept
decent work in Uzbekistan**

<i>Decent Work Indicator</i>	<i>Soviet period</i>	<i>Transition period (1991-2016)</i>	<i>Digital Transformation (2017 to present)</i>
<i>Employment level</i>	Formally 100%	Growth of hidden and informal employment	Unemployment reduction to 6.8% (2024), emergence of new forms of employment

<i>Rights in the workplace</i>	Limited, controlled by the state	Formally established, but not always observed	Updating rights for non-traditional forms of employment
<i>Social protection</i>	Complete, yet universal and centralized	Fragmented, no coverage of informal sector	Requires adaptation to new forms of employment; informal employment still accounts for 33%
<i>Social dialogue</i>	Absent in its classical sense	Independent trade unions emerge, but with limited influence	Complicated by the lack of traditional union structures for digital workers
<i>Skill level</i>	Focused on industrial production	Mismatch of skills with market demands	Focus on digital and soft skills, rapid growth in the number of IT specialists

Digital transformation is causing a fundamental shift in the composition of skills in demand. Table 2 provides a conceptual model of this shift, showing a shift from the dominance of routine and physical skills to cognitive and social skills.

Table 2

Evolution of required skills in the labour market

<i>Skill category</i>	<i>Soviet period</i>	<i>Transition period</i>	<i>Modern period (Digital economy)</i>
<i>Routine / Physical</i>	High demand	Average demand	Demand reduction (automation)
<i>Technical / Specialized</i>	Average demand	High demand	Growing demand for digital skills (data analysis, programming)
<i>Cognitive / "Soft"</i>	Low demand	Average demand	High demand (critical thinking, communication, adaptability)
<i>Social / Leadership</i>	Low demand	Average demand	Growing demand (teamwork, project management)

Discussion

The results obtained demonstrate that the evolution of the concept of decent work in Uzbekistan reflects the country's complex path from a centralized economy to a market economy. At each stage, state policy has attempted to adapt to changing realities, but digital transformation represents a qualitatively new challenge, as can be seen from the tables presented (1, 2).

The problem of informal employment, although gradually decreasing, remains relevant, especially in the context of the development of the platform economy. Many workers, choosing flexibility, actually refuse social protection and labor rights. This poses the task for the government to develop innovative regulatory mechanisms that would ensure a balance between flexibility and security.

Particular attention should be paid to the educational system. The speed with which skill requirements are changing is outpacing the capabilities of traditional education. It is necessary to introduce flexible retraining and continuous education programs that would allow workers to constantly adapt to changing labor market conditions.

Conclusion

Thus, the evolution of the concept of decent work in Uzbekistan has gone through several different phases. From formally secured employment in Soviet times to the challenges of the informal sector during the transition period and, finally, to the difficult but promising realities of digital transformation.

Today, when the country has set a course for digital development, the formation of a decent work system requires a comprehensive approach. This means not only modernization of the labor market, but also a deep reform of the educational system, the development of new mechanisms of social protection for workers in the digital economy and the strengthening of institutions of social dialogue.

Based on the analysis conducted and taking into account the challenges associated with digital transformation, the following measures are proposed to implement the concept of decent work in Uzbekistan:

➤ *development and implementation of the "Digital Labor Code"* : it is necessary to create a flexible legal framework that regulates new forms of employment, such as platform and remote work, while providing minimum guarantees for wages, working hours and safety.

➤ *creation of a "Social Passport of an Employee"*: Introduction of a single digital platform where data on work experience, professional competencies and social contributions will be accumulated, regardless of the form of employment. This will ensure social protection for freelancers and the self-employed.

➤ *government support for retraining programs* : Launching targeted government programs that subsidize the training of citizens in digital and "soft" skills. Particular attention should be paid to regions with a high level of traditional employment, where the risks of professions becoming obsolete are highest.

➤ *strengthening social dialogue*: Creating specialized online platforms for dialogue between representatives of digital companies, employees, and government regulators. This will allow for prompt resolution of emerging labor disputes and the formation of common rules of the game.

➤ *Fostering green digitalization* : Developing policies that promote the creation of decent jobs in a green economy that uses digital technologies to improve energy efficiency, resource management and smart cities.

Further research could focus on a more detailed analysis of the impact of specific digital platforms on income and working conditions, as well as on assessing the effectiveness of existing government programs to develop digital skills. Only such a systematic and balanced approach will allow Uzbekistan to build a society where work is not only productive, but also dignified for every citizen.

References

1. Международная организация труда. Достойный труд. Доступно по: www.ilo.org
2. Абдуллаев Р. К. Экономические реформы в Узбекистане: особенности и результаты. - Ташкент: Экономика, 2018.
3. Умаров А. Т. Цифровая трансформация в Узбекистане: вызовы и перспективы. - Ташкент: Научное издание, 2020.
4. Азизов А. А. Роль человеческого капитала в условиях цифровой экономики Узбекистана. - Ташкент: Экономический университет, 2022.
5. Рахимов Д. Х. Правовые аспекты регулирования труда в цифровой экономике. - Ташкент: Право и экономика, 2023.
6. Каримов Б. Т. Социальный диалог и новые формы занятости. // Социальные исследования. - 2023. - № 1. - С. 112-119.
7. International Labour Organization. The gig economy and decent work in Central Asia. Geneva: ILO, 2022.

8. Петров В. И. Эволюция трудовых отношений в странах с переходной экономикой. - М.: Экономика, 2019.
9. Всемирный банк. Отчет о развитии Узбекистана. Социальная защита и рынок труда. - Вашингтон: The World Bank, 2021.
10. Государственный комитет Республики Узбекистан по статистике. Доступно по: www.stat.uz
11. Маликова Р. Ш. Проблемы неформальной занятости в Узбекистане. // Экономический вестник Узбекистана. - 2021. - № 3. - С. 45-52.
12. Министерство по развитию информационных технологий и коммуникаций. Отчет о реализации проекта "Один миллион программистов". - Ташкент: 2023.
13. Ассоциация цифровых платформ Узбекистана. Исследование занятости в секторе онлайн-услуг. - Ташкент, 2024.