



GUIDELINES FOR INCREASING EMPLOYMENT IN THE CONTEXT OF THE DIGITALIZATION OF THE ECONOMY

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Abstract

This article explores the impact of digitalization on employment trends. This process has a profound effect on the labor market, altering the composition of professions and creating new possibilities for remote work. On the one hand, digitalization fosters the emergence of novel industries and job opportunities. On the other hand, automation and technological advancements can result in the obsolescence of traditional professions, particularly those involving routine tasks. This can lead to an increase in structural unemployment and a widening skill gap. The article examines the rapid rise in the number of self-employed developers and freelance professionals, using Uzbekistan as a case study. Additionally, it analyzes the uneven adoption of digital technologies across different regions and industries. To address the issue of joblessness, the author suggests a comprehensive approach that involves reforming the educational system to align with the needs of the digital economy, expanding digital infrastructure, reducing digital disparities, fostering innovative entrepreneurship, establishing social safeguards for emerging forms of employment, and tailoring regional policies to individual needs.

Keywords: Digital economy, employment, labor market, digitalization, freelancing, self-employed, skills, education system, digital infrastructure, regional policy.



INTRODUCTION

The foundation of the market is crucial for boosting employment. The absence of a well-developed market foundation in a particular region can hinder the growth of entrepreneurship, thereby hindering the expansion of employment opportunities. This can perpetuate disparities in the distribution of employment across regions. To foster a balanced growth of the market infrastructure, it is imperative to establish equal opportunities for business activities in every region. This will prevent disparities in employment levels and enhance the overall employment landscape.

In the context of nationalization and privatization, it is crucial to prioritize the support of the social sector. To achieve this, it is essential to boost investments in its advancement, including foreign investment. Moreover, it is necessary to delegate social facilities to the management of small businesses and private enterprises, allowing them to organize initiatives aimed at addressing the needs of the public. The advancement of the social sector fosters an improvement in the quality of life for the population.

In the context of globalization and the rapid advancement of digital technologies, the process of digitizing the economy is becoming increasingly crucial for the socio-economic progress of nations worldwide. The integration of digital technologies into production, services, management, and labor relations not only enhances the efficiency of the economy but also has a direct impact on the labor market and the employment of the population. Consequently, ensuring employment, creating new job opportunities, and effectively utilizing labor resources are becoming urgent scientific and practical objectives.

In the digital economy, traditional professions are gradually being replaced by new, more flexible and remote forms of employment. This necessitates individuals to acquire digital skills, modernize the labor market, and adapt employment policies to the new circumstances.

In the digital age, young people, women, and certain social groups encounter obstacles in their efforts to enter the workforce. However, digitalization also presents opportunities for these groups, albeit with its own set of challenges due to disparities in skills.



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In Uzbekistan, the digital transformation of the economy is a key focus of government policy. The Digital Uzbekistan 2030 strategy is driving change across various sectors, including public administration, industry, finance, education, and the service sector [1].

These changes bring forth new obstacles: we must devise innovative strategies to boost employment rates, adapt the labor market to the demands of the digital economy, and cultivate a workforce equipped with modern skills.

Simultaneously, the disparate implementation of digital technologies across regions and sectors, coupled with the underdeveloped digital infrastructure and limited digital literacy among certain population groups, may exacerbate employment challenges. This underscores the need to explore innovative approaches to enhance employment opportunities in the digital age, drawing on international best practices and tailoring them to national contexts.

The significance of this research lies in its focus on theoretical and methodological aspects that contribute to fostering employment in the digital era. The examination of market dynamics and the formulation of evidence-based recommendations for employment support are of paramount importance. The findings of this research are anticipated to have a substantial influence on enhancing economic policies, advancing employment initiatives, and fostering human capital in the digital economy.

LITERATURE ANALYSIS

In the context of the increasing digitalization of the economy, issues related to ensuring employment are becoming particularly relevant. This is due to the transformation of the labor market, the emergence of new forms of employment, and the need to effectively utilize human capital and intellectual resources. The study of scientific works on this topic shows that modern approaches to solving employment problems in the context of a digital and innovative economy differ significantly from traditional models.

Scholars such as A. V. Pesha, V. Tonkikh, N.E. Mavlonova, and I.Yu. Umarov, M. Rakhmanov, and Z.R. Khudayberdiyev examine the increase in employment in the context of an innovative economy in close connection with the development of the labor market, job creation, and the rational use of labor



resources [2-5]. The authors substantiate that the labor market is a complex socio-economic system, encompassing not only the unemployed and the employed population, but also the entire economically active population. This approach serves as an important theoretical basis for analyzing remote work, platform employment, and flexible forms of labor in the context of digitalization. Also, research shows that many scientists, including researchers Liu Peng, Sh.T. Aliyeva, B.J. Tagarov, E.M. Abdulkhairova, consider the impact of the digital economy on employment as a two-sided process [6-90]. According to their considerations, on the one hand, digital technologies create new industries (for example, cloud computing, big data, artificial intelligence) and new forms of work (for example, platform economics, freelancing, remote work), which expands employment opportunities. On the other hand, automation and robotization can displace traditional, especially routine, labor-intensive professions, leading to structural unemployment. The digital economy can exacerbate the phenomenon of "polarization" in the labor market: the number of highly qualified and low-skilled jobs will increase, while the number of mid-skilled jobs may decrease.

In the research, special attention is paid to the concepts of labor resources, labor potential, and human capital. In particular, A. Tashpulatov interprets labor potential not only as existing labor power, but also as a set of future knowledge, skills, and intellectual capabilities [10-12]. This approach allows us to scientifically substantiate the need to develop digital skills, IT literacy, and a system of continuous education as an important factor in increasing employment in the digital economy.

In the scientific views of foreign scientists - J.M. Keynes, A. Kotlyar, G. Standing and K. Egorov, employment and unemployment are interpreted as an inevitable element of a market economy [13-16]. In their research, the imbalance between labor supply and demand is explained by technological changes. These theories are important in explaining the reduction of some professions and the emergence of new digital professions as a result of digitalization processes.

Also, the opinions of scientists widely cover the issues of remote work, temporary employment, self-employment, and employment through the platform economy. Evaluating these forms as an important element of the



innovative economy, he emphasizes that these directions are an important reserve for increasing employment. These conclusions serve as a scientific basis for the development of freelancing, online services, and digital entrepreneurship in the context of digitalization.

In general, the analysis of existing scientific literature shows that the issues of increasing employment in the context of the innovative and digital economy have been studied mainly through the transformation of the labor market, the development of human capital, and the introduction of new forms of employment. However, the issues of the impact of digitalization processes on regional employment, platform labor relations, and digital infrastructure on employment have not been studied on the basis of a sufficiently comprehensive approach. This circumstance further increases the scientific relevance of this article.

RESEARCH METHODOLOGY

This article discusses ways to increase the employment rate of the population in the context of the active development of the digital economy. For this purpose, an in-depth analysis of theoretical, practical and scientific sources on this topic was carried out. In addition, a comparative analysis of statistical data was carried out, as a result of which digital indicators were compared, changes and trends were identified. Based on the data obtained from various sources, a synthesis was carried out, which allowed us to draw generalized conclusions.

DISCUSSION

The emergence and development of digital technologies have been revolutionizing the traditional industrial economy and transforming it into a digital economy with far-reaching implications. This shift is having a significant impact on economic, environmental, and social aspects, including changes to the structure of labor markets, methods of work, and employment systems.

The widespread adoption of digitalization has led to the growth of e-commerce and increased labor productivity, significantly affecting the global labor market. Rapid advances in digital technologies have brought about significant



transformations in the world of work, with the emergence of new, flexible employment models that are easily adapted to changing circumstances.

In addition to traditional forms of employment, innovative models such as freelance work, part-time employment, and temporary contracts are gaining popularity. These flexible arrangements allow individuals to adapt to changing needs and demands, providing greater flexibility and choice in their working lives.

Digital technologies and online platforms have transformed the way people access markets, conduct research, manage manufacturing processes, and access other resources. These innovations have overcome the limitations imposed by traditional organizational structures, reducing barriers to economic engagement and promoting active involvement in economic activities.

Today, individuals can participate in the workforce not only through traditional employers, but also through independent means, making work arrangements more flexible. The availability of a diverse range of employment opportunities has become an essential aspect of daily life.

Self-employment and freelancing have become increasingly popular among young people worldwide. In Uzbekistan, for instance, there has been a significant rise in the popularity of these forms of work, particularly among young individuals. As of 1 March 2025, there were approximately 4.78 million self-employed individuals in the country, an increase of 80% from the previous year [17]. This number had surpassed 5.5 million by 1 July 2025, representing an annual growth rate of 56%.

The self-employed are engaged in various activities, including household services, agricultural work, transportation (especially taxi services), and manufacturing and service industries. Their share in the overall employment structure is steadily increasing, particularly in sectors with flexible working arrangements that resemble the freelance or gig economy. Samarkand, Tashkent, and other major regions lead in terms of registered self-employment.

In addition, it is essential to optimize employment and create more job opportunities. The digital economy has a significant impact on the labour market and small businesses, particularly in the field of services offered through



freelance platforms [18] We believe that the effect of digitalization on employment can vary depending on the region.

In more developed areas with higher incomes, the effect is likely to be more substantial. Conversely, in less developed areas with lower incomes, the effect may be less significant. Nevertheless, it is crucial to note that fundamental changes in the labour market brought about by digitalization are likely to occur in all regions.

The evolution of social and labour relations in the context of digital transformation is inextricably linked with the key stages, processes, and trajectories of this transition. Digitalization involves two fundamental processes that both narrowly and broadly define it.

In a narrow sense, digitalization refers to the development of information and digital platforms in various sectors of economic activity. It is the process of integrating information and communication technologies (ICTs) into commonly used technologies, characterized by widespread adoption and implementation of digital techniques for storing, processing, and transmitting information across all aspects of human activity. This process aligns with the initial stages and subsequent phases of the digital economy.

More broadly, the digital transformation of the economy involves not only a shift in industrial and economic paradigms, but also the transformation of productive forces and production factors through the adoption of innovative technologies. The emergence of the digital economy has led to significant changes in the structure of social and employment relationships, in the labour market, and within the workplace. Each stage of the digitalisation process has both general and specific implications for these areas. Consequently, socio-economic issues and risks related to the digital transformation of industrial and socio-labour relations are becoming increasingly significant [19-20].

Within the new digital environment, complex challenges arise in areas such as finance, law, economics, sociology, culture and psychology. Additionally, it is essential to ensure the security of individuals, society, and the state. Important topics for discussion include funding for the development of digital technology, the distribution of digital products, and options for paid and free access to online resources.



The protection of digital technologies, intellectual property rights, and socio-economic interests is of utmost importance. It is essential to strike a harmonious balance between economic feasibility and social equity.

Furthermore, it is crucial to preserve cultural heritage, maintain national identity, and promote mental well-being. Striking a delicate equilibrium between privacy and security, both in the digital and physical domains, is equally significant. In light of the exponential rise of digital technologies and their increasing integration, national security has become increasingly critical.

RESULTS

The issue of the expansion of informal employment on online platforms and the resulting increase in precariousness among the economically active population remains a significant concern. This group includes individuals who do not meet the criteria for decent work, such as those who work on a part-time or weekly basis, are on unpaid leave, work in seasonal jobs, are unemployed, especially those of working age, work without official registration or collective agreements, including migrant workers, as well as those who operate in the informal sector, such as self-employed individuals.

Technology plays a crucial role in advancing productive forces and transforming industrial structures in today's world. As economic growth continues, demand for energy-intensive and inefficient industries decreases.

Digital technologies are actively being integrated into various aspects of life, providing a wide range of high-quality services such as healthcare, tourism, education, and vocational training. The expansion of the IT sector and the growing demand for related services has led to an increase in job opportunities in online commerce, courier delivery, transportation, and related fields. These new forms of employment are replacing traditional industries and contribute to the overall growth of employment.

In today's digital economy, employment is not just a matter for individuals or companies, but also for governments and citizens. Collaboration between all parties is essential to address the issue of employment. Artificial intelligence plays a significant role in automating processes, placing greater emphasis on professional qualifications.



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In today's digital age, professionals need to not only have digital expertise, but also the ability to collaborate effectively with others, be innovative and adaptable, and be quick learners. It is also crucial to have a diverse skillset that can be applied in different contexts.

Working in the digital landscape requires professionals to be willing to work together and find common ground while still maintaining their individuality, especially when working in virtual teams with employees from different organizations and countries. This can be challenging, but it also offers a wide range of opportunities for employees.

The abundance of job opportunities can lead to a sense of choice, but it also requires the development of self-discipline, self-control, and self-awareness to succeed. The high demand for digital professionals, the variety of employment options, and the unique corporate cultures present significant challenges for companies in managing their talent.

Companies must address the challenge of a lack of professionals in the field of digital technology. It is crucial to support and nurture existing professionals in order to enable them to quickly adapt to the demands of digital transformation, particularly for managers and data backup specialists.

In light of the growing importance of the digital economy, it is essential to implement optimization strategies in several areas:

- 1. Collaboration between universities and businesses.** Universities and businesses should work together to develop training programs that focus on digital technology. The curriculum needs to be revised to incorporate courses on digital skills, and support must be provided for young professionals in this field.
- 2. Promoting innovation and entrepreneurship.** In light of the rapid advancements in innovation and entrepreneurship within the realm of digital technology, government agencies need to establish a strong support framework, including financial assistance. This can be achieved by providing preferential loans for startups, implementing tax incentives for social entrepreneurs and small businesses, and gradually adapting the tax system to meet the demands of the digital economy.

Additionally, due to fraudulent and unethical practices within the employment sector on the platform, it is essential to establish a digital social management



system and digital lending mechanism. This will improve the platform's ease of use, transparency, security, and trustworthiness.

In addition, to promote adaptability in online work, it is crucial to develop and implement suitable systems and innovative services in areas such as social security and taxation. This would allow this category of workers to access social benefits while contributing to society and being protected.

However, considering the uneven impact of the 2020 crisis on different regions and industries, it is important to identify businesses that can survive in such circumstances. These include food retailers with delivery services and technology companies that offer remote work. Unfortunately, there are not many of these enterprises.

Due to consumer self-isolation, all sectors, including non-food retailers, hospitality, transportation, leisure, entertainment, culture, sports, and tourism, face the risk of temporary closure. These sectors employ approximately one-third of the country's workforce.

This situation calls for innovative solutions. In the field of employment, our primary goal is to support those who have lost their jobs during this difficult time, enabling them to survive and return to paid work as soon as possible, preferably in the same position they held before the crisis.

We must prevent the erosion of human capital that has been accumulated through years of hard work and investment. A swift recovery is only possible if we maintain the existing physical and human resources. This means that we must protect the capabilities of our existing organization at all costs so that it can resume normal operations when the epidemiological restrictions are lifted.

Failure or dissolution of a business will make the recovery process more complex and time-consuming, and there is a risk of widespread long-term unemployment with severe and lasting consequences.

When examining the impact of the digital transformation of the economy on employment, it is essential to consider how this process affects individuals living in remote regions. The analysis of the influence of information and communication technologies on the labor market and business operations reveals two critical aspects:



Firstly, in the digital economy, interactions between employees and employers, as well as customers and contractors, are no longer constrained by geographical boundaries. This has significant implications for the way work is done and the nature of employment.

Secondly, the digital economy is altering the traditional workday that characterized industrial production, making the utilization of human capital more flexible and adaptable. These developments underscore the need for a comprehensive and systematic approach to addressing employment challenges in the digital age, including:

- Reforming education and professional development systems.
- Training personnel for jobs in the digital economy.

To prepare professionals who are equipped to meet the challenges of the digital age, it is crucial to continuously update educational curricula. Enhancing cooperation between academic institutions and industry, as well as fostering the development of online learning platforms, represent critical tasks that must be addressed.

Huawei, for example, has established training centres in more than 35 countries, employing over 1,000 individuals in its workforce. In Uzbekistan, there is also an opportunity to tailor vocational education to the demands of the labour market by incorporating digital technologies.

Furthermore, it is imperative to establish flexible systems for social security, pension provision, and labour rights protection for freelance and remote workers, ensuring their financial stability and enhancing their productivity. Additionally, efforts should be made to build digital infrastructure and reduce digital divides.

It is imperative to foster the development of digital infrastructure and bridge the digital divide in order to ensure equitable access to contemporary technologies and resources for all sections of the population. This serves as the cornerstone for the flourishing of the digital economy and enhancing the quality of life for individuals.

Particularly crucial is the provision of equal opportunities for those residing in rural areas. This entails providing high-speed internet connectivity,



implementing digital literacy initiatives, and making digital devices affordable. A prime example of such initiatives is the national Digital Economy programme. Furthermore, fostering innovation and entrepreneurship is essential. New job opportunities can be generated through the growth of small and medium-sized enterprises, supporting startups, and implementing subsidies and tax breaks for the adoption of digital technologies. Uzbekistan's experience, wherein 144 entrepreneurs benefited from subsidies in 2022, serves as an example of this approach.

Formulating policies that are tailored to the unique economic and demographic characteristics of each region is of paramount importance. This approach becomes particularly critical in areas characterized by high rates of unemployment.

The practical significance of this research lies in the fact that its findings and recommendations can be utilized by governments in formulating strategies aimed at fostering the development of the digital economy and promoting employment opportunities.

In terms of theoretical implications, this study contributes to a deeper understanding of the impact of digital transformation on the job market, as well as its consequences for various sectors of the economy.

CONCLUSION.

In the context of the digitalization of society and the economy, the issue of employment is becoming particularly relevant. This is not only a matter of introducing new technologies, but also a complex process that requires an integrated approach.

The reform of the education system, the development of infrastructure, the modernization of legislation and the promotion of entrepreneurship — all these measures should be aimed at solving the problem of unemployment and improving the efficiency of the economy.

Digitalization has become an integral part of modern society and has a significant impact on the labor market. On the one hand, it opens up new horizons and offers unique forms of employment, on the other hand, it can destroy traditional professions, widen the skill gap and increase social inequality.



To overcome these challenges, it is necessary to develop an integrated approach that includes the following areas:

1. Adaptation of the education system to the requirements of the digital economy.
2. Formation of social protection systems for new forms of work.
3. Developing digital infrastructure and overcoming digital inequality
4. Support for innovative entrepreneurship.
5. Individualization of regional policy.

For successful development in the context of digitalization, countries need to learn how to use its opportunities and overcome the challenges associated with it. Only an integrated approach will make it possible to fully realize the potential of digitalization and minimize its negative consequences.

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