

Analysis

Labor Barometer: What are the advantages of evaluating occupational employment for Uzbekistan?

Our life is becoming more and more prosperous, and our country is advancing in terms of financial stability, cultural enrichment, and intellectual development. It is evident that individuals who were previously unemployed are now engaged in various sectors, including entrepreneurship, agriculture, and services, and are transitioning into roles as employers within their communities. These outcomes stem from organized initiatives focused on enhancing the quality of life and work within our nation, prioritizing human interests, and fundamentally transforming the lifestyles of individuals across all societal strata.

Currently, the evolution of social classes is taking on significant importance. Rather than the traditional three primary social classes of workers, peasants, and intellectuals, our society is currently undergoing a transformation characterized by a diverse array of contributors, including entrepreneurs, service sector representatives, farmers, military personnel, bankers, educators, scientists, laborers, information technology specialists, both organized and unorganized youth, individuals with disabilities, and various other social classes. In the past, individuals were primarily connected through diverse traditional ceremonies; however, contemporary society witnesses a convergence of individuals driven by shared perspectives across sectors such as politics, entrepreneurship, sports, culture, and the arts. The implementation of the "five important initiatives" within our country holds significant value for the advancement of youth as a vital component of human capital.

In the new era of Uzbekistan's advancement, a pressing objective is to cultivate skilled young professionals, establish quality employment opportunities, and develop a workforce aligned with labor market needs, thereby facilitating the growth of each sector in line with current standards. Such an effort is crucial for securing job opportunities for the workforce, alleviating poverty, and advancing the labor market.

Analysis: An effective approach to addressing the issue of unemployment

In his address during the session of the Legislative Chamber of the Oliy Majlis regarding the Prime Minister's candidacy, President Shavkat Mirziyoyev emphasized the necessity for the government to tackle the critical challenge of maintaining unemployment rates below the internationally accepted threshold of 5—6 percent by the year 2030.

It is essential to depend on empirical approaches in this context and draw insights from progressive global practices. The experience used in several advanced economies, particularly the establishment of the Occupational Barometer and the application of its findings, is pivotal in attaining the objectives outlined in this area.

The occupational barometer serves as a metric that defines the gap between the workforce available in a specific sector and the demand for such labor. It can also be regarded as an instrument for assessing the “heartbeat” of the economy and various sectors. This research outcome is comprehensive and iterative, enabling the general public to evaluate the informational landscape across various dimensions and to monitor economic fluctuations in a timely manner. It establishes a framework for an initial evaluation of prospective labor demand by employers within the labor market, as well as the expansion, contraction, or stabilization of existing strategies for recruiting new personnel. This structure is also beneficial for assessing the potential outcomes of the engagements of societal members—parents, youth, and involved entities within the educational framework.

Establishing an employment measuring barometer benefits both employers and the workforce in labor relations while addressing current issues.

Young individuals contemplating their career paths should consider using the labor force barometer as a tool when determining their prospective location for residence or education. The barometer serves as a tool for assessing regional economic outlooks and the conditions of the labor market across various areas, while also providing valuable insights into sector-specific employment trends by profession. Employers may utilize the barometer as a tool for strategizing recruitment initiatives and informing investment choices. Data regarding the labor market dynamics enables firms to sustain and enhance their competitive edge. From the perspective of educational and training institutions, the barometer serves as a valuable tool for acquiring critical insights into which fields of study and specializations should be developed to align with the demands of the labor market.

The establishment of an occupational barometer in our country will significantly enhance the availability of workforce information for businesses and organizations functioning across diverse sectors and domains of the economy. The initiative will also facilitate the observation of the particular dynamics within the labor market.

Priority goals and practical actions

The "Uzbekistan—2030" strategy sets goals such as increasing the gross domestic product to \$160 billion and increasing the income of 4.5 million people at risk of

poverty. One of the priority goals is to take measures to ensure stable and productive employment for young people and people with disabilities.

The social protection strategy outlines plans to create a system that provides a minimum level of social protection for all citizens. In accordance with the guidelines of the UN Development Program and UNICEF, it is planned to achieve that goal by expanding the coverage of social assistance and improving its targeting.

Nordic International University is engaged in the United Nations' developmental initiatives in Uzbekistan. The university has secured funding from the UNDP to analyze, enhance, and improve the professional Occupational Barometer. It has successfully conducted research as part of the initiative "**Adapting the skills of the population in the Fergana Valley to the post-pandemic economy,**" which seeks to address the challenges of the labor market in our country through a scientific approach.

A recent presentation took place regarding the methodology for evaluating occupational barometers, featuring contributions from UNDP representatives. The organizational and methodological challenges associated with the project's execution were thoroughly examined, and it was anticipated that the implementation would occur in an orderly manner. This innovative project received significant attention from the Ministry of Poverty Reduction and Employment in our country.

While data regarding job openings can be found on platforms like "mehnat.uz", "uzjobs.com", "hh.uz", and others in Uzbekistan, this information is inadequate for formulating empirically supported conclusions regarding employment types. This problem occurs due to the selective nature of advertised vacancies, variations in advertising terms, and instances where candidates' information remains on the portal despite securing employment.

Instances exist where HR agencies withhold information regarding job vacancies for commercial advantage and other highly profitable objectives. Furthermore, there is a notable absence of highly qualified individuals in our country seeking employment through labor authorities. This condition also detrimentally impacts the quality and comprehensiveness of information regarding job opportunities.

We recommend implementing a professional barometer, an employment policy instrument, as a contemporary, efficient, and high-quality solution to these urgent problems. This essential tool will assist jobless individuals in obtaining scientifically based answers to critical inquiries, such as "**Which professions are in high demand in our region?**" **Which occupations provide high salaries?** It will substantially enhance staff training in accordance with economic demands and promote sustainable job development.

A look at foreign experiences

The German approach to developing an occupational barometer begins with a thorough identification of the primary sectors within the economy. Subsequently, the quantity of engaged firms (a minimum of 1,000, with a higher number being advantageous) and the information pertaining to representatives from each sector are specified. The process primarily uses an online survey form to reduce organizational expenses.

Professional, accessible, and user-friendly survey platforms like Qualtrics, SurveyMonkey, and LimeSurvey are essential for facilitating research activities. These instruments assist organizations and their workforce in recognizing key factors and making informed choices to enhance overall productivity. Based on this foundation, it is possible to establish an occupational barometer and assess the progression of economic cycles.

According to Dr. Klaus Wohlrabe, deputy director of the Center for Macroeconomic Research and Surveys at the German Institute for Economic Research (IFO), the minimum wage in the country is determined based on the Occupational Barometer. The German IFO Occupational Barometer has been providing information on employers' demand for labor since 2002. The surveys use data from more than 9,500 enterprises and organizations in the manufacturing, construction, wholesale and retail trade, and service sectors.

Finland possesses a notable level of expertise in the domain of labor barometers. The labor barometer serves as a critical tool within the nation, delivering essential, detailed, and prompt insights regarding employment and skill requirements to various operators. The "Occupational Barometer" releases information about labor demand every year in October. This indicator offers a comprehensive overview of the requirements and outlook of the labor market, depending upon job roles and skill requirements.

Regional experts' assessments of anticipated future requirements serve as the primary data source for the labor barometer in Finland. Furthermore, data is gathered from regional discussion events and industry seminars, alongside contributions from the local "Ely" Center for Economic Development of Transport and the Environment. In light of the discussion sessions, the "Ely" center projects the labor market dynamics of demand and supply for the upcoming year. These evaluations construct an analysis of the prevailing conditions within the labor market. The evaluation of the labor market includes an analysis of labor supply imbalances, issues related to workforce dynamics, and instances of labor shortages. Analyses are conducted for core areas and specific industries.

A significant part of the Finnish workforce experienced disagreements within the labor market. Labor resources, including job seekers, employers, and educational institutions, extensively utilize the data derived from the Labor Force Barometer in

strategizing their operations. The Ely Center gathers data across various regions. In October 2023, a total of 50 discussion events were conducted, featuring the engagement of prominent experts across various regions, sectors, and major employers. In contrast to the Occupational Barometer, the Labor Force Barometer provides a more comprehensive perspective on the labor market and its requirements, as it assesses not only job roles but also the demand for skills. The newly implemented sectoral approach offers a more precise assessment of labor requirements.

In the context of the **Hungarian labor market**, robust strategies are being implemented to address age discrimination. The nation's adherence to the European Charter on Diversity reflects its dedication to fostering equitable treatment within the labor market. Moreover, Hungarian regulations concerning occupational safety explicitly tackle psycho-social risks, prioritizing the establishment of a secure and inclusive workplace for individuals across all age demographics.

The most recent edition of the Barometer emphasizes the importance of establishing a work environment conducive to the engagement and productivity of young individuals, women, and the elderly age group. These measures include protecting employees close to retirement from being dismissed and offering special financial rewards to pensioners for their extended service. The “Women 40” program facilitates early retirement for women, granting full benefits upon the completion of 40 years of professional experience. The “HelloIT” initiative seeks to enhance labor market prospects for older women, particularly in rural regions, through the advancement of digital competencies.

The Occupational Barometer has been successfully implemented in Finland, Poland, Germany, and Hungary and is used in areas such as vocational guidance of young people, study of demand for vocational and higher education specialties, and planning of personnel reserves.

Methodological aspects and analysis results

The project "Adapting the skills of the population in the Fergana Valley to the post-pandemic economy" aims to create a labor market assessment and short-term forecasting tool for labor authorities using progressive foreign experiences.

The Namangan region executed several initiatives in the initial phases of the project to establish the occupational barometer. To gather information regarding the labor supply and demand, business trips were conducted across various districts and cities within the region, leading to the creation of an employment barometer informed by expert evaluations. Each local labor agency established local respondent groups to conduct interviews, focusing on the advancement of the Employment Barometer by specialization and occupation. The cohort comprised professionals possessing a minimum of two years of relevant experience and a solid comprehension of their respective domains, holding positions such as head,

deputy head, or leading specialist. This group also included delegates from the social and commercial sectors who were responsible for analyzing the conditions within the labor market.

A specialized team of experts has been established in each district of the Namangan region, including the city of Namangan, focusing on 20–32 different types of activities tailored to the unique economic characteristics of the region. A questionnaire comprising six relevant questions was developed. Methodological frameworks and survey instruments were developed for planned interviews. Training sessions were conducted for interviewers. A total of 103 interviews were conducted from June 2 to June 14 of the current year. Interviews were executed through a combination of remote and on-site approaches utilizing an electronic questionnaire. We asked each specialist no more than 10–20 questions, depending on the type of work and activity.

The survey encompassed a comprehensive total of 194 distinct occupational categories. These included sectors such as agriculture, water management, fisheries, forestry, wholesale and retail trade, banking services, consulting services, metallurgy, chemistry, mechanical engineering, woodworking, and the building materials industry. Participants were instructed to provide responses exclusively regarding inquiries pertinent to their specific occupation. We gathered precise data regarding the dynamics of personnel movements within a specified region with their assistance.

The barometer allowed us to monitor the current situation and annual forecasts. Thus, it was determined which professions (types of employment) in the labor market are over- or under-supplied. We also collected the opinions of local experts in the Namangan region. We calculated their modal values and correspondence coefficients to draw final conclusions for the region.

If we look at the status of employment types in the province, it was found that the labor force in 43 out of 194 types of employment (almost every fifth profession) is insufficient. But it can be predicted that this situation will change after a year; on the contrary, the labor force in 64 types of employment is expected to be more than necessary.

For an extended period, it has been evident that certain professions have posed challenges for employers in securing an adequate workforce. Among these professions are carpenters, construction carpenters, roofers, plumbers, electricians, electro-mechanics, electrical installers, physiotherapists, massage therapists, bus, truck, and tractor drivers, cooks, doctors, warehouse workers, auto mechanics, construction installers, bricklayers, plasterers, vocational teachers, earthmoving equipment operators and mechanics, machine operators, independent accountants, welders, and plumbers.

Future plans and outlook

Analyses show that in Uzbekistan, the abundance of construction projects, the shortage of skilled workers, the lack of practical connection between education and real-world experience, the increase in the number of enterprises in the ICT sector, and the fact that most specialists in this field live in urban centers, as well as the emigration of qualified personnel (doctors, engineers, and construction specialists) to foreign countries, are contributing to a shortage of labor. A labor shortage is also caused by a lack of training slots for certain specialties (like ICT, engineers, and lawyers), the introduction of new job types (like ICT, electronics, robotics, etc.), the poor quality of education and qualifications, the lack of a structured approach to skill development in businesses and organizations, workers' unwillingness to work in tough conditions, the movement of people from public to private institutions, the weak teaching of exact sciences in schools, and a growing preference for humanities-based careers.

An analysis of the factors contributing to the labor surplus reveals limited investments in certain sectors, while other sectors are experiencing an influx of trained young specialists, particularly in banking services, tailoring, and education. There are problems with the system because medical and pre-school schools have strict admissions requirements and older workers in public organizations don't want to give up their jobs to younger people just starting out in the job market. Also, guiding young people toward professional paths isn't always done well.

It is worth noting that in our country, the Occupational Employment Barometer allows us to obtain qualitative data on the state and development of local, regional, and national labor markets, in particular, on the demand for current and future professions. The main goal of the Occupational Employment Barometer, which will be developed within the framework of the project, is to monitor the employment situation in real time and, on this basis, to have the ability to forecast trends and changes in the near future.

Currently, a 'dashboard' has been created to obtain quick information on relevant activities and types of employment. The prospects of implementing The Occupational Barometer in other regions of the country are now being defined. Work is underway to develop a draft regulation that will approve methodological guidelines for establishing the regional professional employment barometer as part of Phase 3 of this project. The implementation of the barometer in each region and the creation of a single online portal to publish data related to this tool are planned. Training interviewers and establishing the practice of compiling The Occupational Barometer once a year is crucial for determining the balance of demand and supply in the labor market.

In short, the implementation of contemporary and progressive methodologies is essential for the advancement of Uzbekistan's labor market. Such an approach is crucial for maintaining workforce stability, generating new employment opportunities, and allocating personnel to sectors that align with their expertise,

capabilities, and competencies. It is evident that a well-structured labor barometer will enable Uzbekistan to efficiently regulate its labor market and enhance its competitiveness in the global arena.

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