



# **LABOR MIGRATION AND SKILL SHORTAGES IN UZBEKISTAN: IMPLICATIONS FOR HUMAN CAPITAL AND DEVELOPMENT**

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## **Abstract:**

Labor migration has become one of the defining socio-economic processes in Uzbekistan, with approximately two million citizens working abroad at various stages of the past decade, while remittances significantly reduce poverty and support household welfare [12; 17]. At the same time, domestic employers increasingly report persistent shortages of qualified personnel, especially in industrial, technical, and service sectors [7; 9; 14]. This study examines the interaction between large-scale external labor migration and skill shortages in Uzbekistan, drawing on Uzbek, Russian, and international expert research. Using a qualitative synthesis of secondary data, the article shows that although migration alleviates short-term employment pressures, it simultaneously contributes to structural skill gaps and limits the modernization of key sectors. The paper concludes with policy recommendations aimed at strengthening vocational education, recognizing skills gained abroad, and promoting circular migration.

**Keywords:** Uzbekistan, labor migration, skills mismatch, labor shortages, TVET, remittances, human capital.

## **Introduction**

Labor migration has long been a central feature of Uzbekistan’s labor market, shaped by demographic pressure, limited job creation, and wage differentials with destination countries. Historically, the Russian Federation and Kazakhstan have been the main



destinations, while recent shifts include growing flows to South Korea, Turkey, and several EU member states [10; 18].

Remittances play a crucial stabilizing role. According to World Bank and national assessments, the poverty rate in Uzbekistan would almost double in the absence of remittances—from about 9.6% to 16.8% [12; 17]. Despite this positive welfare effect, the domestic labor market suffers from skills mismatch, informality, and low productivity.

The World Bank estimates that Uzbekistan creates around 280,000 net new jobs annually, far below the 500,000–600,000 new entrants entering the labor market each year [12]. Meanwhile, employers increasingly highlight skill shortages. The ILO reports that roughly half of industrial enterprises struggle to find suitably qualified staff [9], while private sector surveys indicate a shortage of experienced workers and mid-level professionals [14].

Uzbek and Russian scholars also emphasize this duality. Yuldashev notes that highly skilled emigration is a systemic challenge for developing countries [5]. Nasirova and Goziyev highlight the persistent mismatch between vocational education outputs and the labor needs of a transforming economy [1; 3].

### **Aim of the study:**

To analyze how external labor migration contributes to, and interacts with, skill shortages in Uzbekistan.

### **Research questions:**

1. What are the main patterns of labor migration from Uzbekistan?
2. What evidence exists regarding domestic skill shortages?
3. How do migration and skill deficits reinforce each other?
4. Which policy measures can transform migration from a “brain drain” to a “skills gain”?

## **2. Methodology**

This study uses a **qualitative desk-based approach**, reviewing:

International reports (World Bank, ADB, ILO, IOM, UNDP) [6–12];

National analytical materials from ISRS, Development Strategy Center, and major news platforms [2; 4; 14–17];



Academic publications by Uzbek, Russian, and foreign scholars [1; 3; 5; 8].

Keyword searches were conducted in English, Russian, and Uzbek. Publications from 2015–2025 were prioritized to capture current trends in migration and skills development.

The methodological steps included:

1. Mapping migration patterns and labor market indicators;
2. Thematic coding of recurring issues (skills mismatch, brain drain, vocational education reforms);
3. Comparative synthesis of national and international findings.

### **3. Results**

#### **3.1. Scale and shifting geography of labor migration**

Approximately **2 million** Uzbek citizens have worked abroad during the past decade, representing around 10% of the national labor force [12]. Russia remains the dominant destination; however, geopolitical and economic changes have prompted diversification.

Remittances from Russia fell sharply—by nearly 40% in 2023 and much more in early 2024—prompting a shift toward Kazakhstan, Turkey, South Korea, and EU states [17; 18].

The welfare impact is significant: without remittances, poverty would rise from 9.6% to 16.8% [17].

#### **3.2. Evidence of skill shortages and mismatch**

Domestic skill shortages are widely documented:

- ILO reports that **around half** of industrial enterprises struggle to find qualified workers [9].
- ADB highlights the **misalignment between vocational education and employer needs** [7].
- World Bank assessments show a dominance of low-skilled labor and unmet demand for technical and digital skills [6; 8].
- Private sector data indicate severe shortages of experienced technicians and mid-level professionals [14].

Uzbek researchers argue that the TVET system still lacks alignment with industry needs, producing oversupply in some fields while shortages persist in others [1; 3].



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### **3.3. The interaction of migration and skill shortages**

The link between migration and skill deficits is multidimensional:

- 1. Migration absorbs surplus low-skilled labor**, helping reduce unemployment statistics but masking structural weaknesses [12; 10].
- 2. Growing emigration of skilled and experienced workers**—including welders, electricians, nurses, drivers, and IT professionals—weakens domestic capabilities [14; 18].
- 3. Brain drain**, especially in STEM and healthcare, reduces innovation potential [5].
- 4. Limited recognition of skills gained abroad** prevents returning migrants from utilizing accumulated experience effectively [11].
- 5. Regional disparities** are intensified as high-migration regions lose experienced workers and face difficulty attracting new talent [15].

### **3.4. Policy responses in Uzbekistan**

Since 2018, the **Agency for External Labor Migration** has strengthened regulation of organized migration, pre-departure training, and migrant protection [10].

Bilateral agreements with Germany, South Korea, Japan, and several EU states aim to channel workers into legal frameworks that include training and skill upgrading [2; 15].

Major reforms in technical and vocational education seek to align curricula with labor market demands and modern occupational standards [7; 6].

International partners, including UNDP and the World Bank, are implementing programs for youth skills development and reintegration of returning migrants [11; 12].

## **4. Discussion**

### **4.1. Migration as both opportunity and constraint**

While migration provides households with income and reduces immediate unemployment pressures, it also removes productive labor from the domestic economy [12; 17].



#### **4.2. Skill shortages as institutional challenges**

ADB and World Bank findings show that weaknesses in vocational education and firm-level training practices significantly contribute to skills mismatch [6; 7]. Local scholars confirm that curriculum modernization remains slow [1; 3].

#### **4.3. The need for circular migration**

Instead of one-way migration, Uzbekistan needs **circular migration**, where workers return with stronger skills and are integrated into the economy. This requires:

- recognition of skills acquired abroad;
- professional certification of returning workers;
- reintegration programs connecting returnees with local enterprises and entrepreneurship initiatives [11].

#### **4.4. Policy coordination**

Migration, education, industrial, and regional development policies must be linked. If destination countries recruit welders, nurses, or IT specialists, Uzbekistan must expand domestic training pipelines and design incentives for skilled return [2; 5; 14].

### **5. Conclusion**

This study demonstrates that:

- labor migration is a structural component of Uzbekistan's development model;
- skill shortages are growing, especially in mid-level technical and professional fields;
- migration both alleviates short-term pressures and contributes to long-term skill gaps;
- TVET reforms are underway but require stronger coordination with migration and industrial strategies;
- skill recognition and return incentives are essential for turning migration into a human capital asset.

#### **Policy recommendations:**

1. Strengthen labor market forecasting and skills monitoring.
2. Expand demand-driven TVET programs.
3. Recognize skills acquired abroad through standardized certification.
4. Develop attractive return pathways and entrepreneurship support.
5. Promote circular migration through bilateral agreements.



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