

REMOTE EMPLOYMENT AS A MODERN MECHANISM FOR ENSURING
POPULATION EMPLOYMENT

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<https://doi.org/10.5281/zenodo.20348607>

Abstract. This article examines the role and prospects of remote work as a modern and flexible mechanism for ensuring population employment in the context of global digitalization processes. The purpose of the study is to reveal the economic essence of remote labor, outstaffing, and outsourcing, as well as to analyze their development trends in the labor market of Uzbekistan. The study utilizes methods of systemic analysis, comparative-economic analysis, and statistical grouping. As a result of the research, based on the experience of developed nations (the USA and European Union countries), the performance indicators of outstaffing and outsourcing services are identified, and a comparative assessment of their advantages and disadvantages is conducted. Furthermore, the legal frameworks for implementing remote and flexible work systems in state bodies within the framework of the "Uzbekistan–2030" strategy, along with the preliminary practical outcomes in the national labor market, are analyzed. The article concludes with the development of scientific and practical proposals aimed at expanding remote employment models and optimizing labor relations under the innovative development of Uzbekistan's economy.

Keywords: remote labor, population employment, digital economy, outstaffing, outsourcing, labor market, flexible working hours, personnel policy, economic efficiency.

INTRODUCTION.

Since the second decade of the 21st century, the unprecedented acceleration of digitalization and integration processes within the global economic space has fundamentally reshaped the architecture of the traditional labor market, infusing conceptual approaches to ensuring employment with a novel dimension. Particularly, the global restrictions during the COVID-19 pandemic served as a sharp accelerating catalyst for abandoning classical labor models in the production and service sectors, driving the evolution toward remote (virtual) forms of activity. This transformational period opened doors to new economic opportunities for enterprises and organizations in optimizing operational costs, implementing innovative human resource management tools, and mitigating imbalances between regional labor markets. Under current modernized conditions, remote labor activity is becoming firmly established not merely as a temporary alternative, but as a modern employment model oriented toward results and high efficiency.

According to the forecasting analyses of World Economic Forum experts, the share of remote positions in the global labor market is expected to rise up to 25 percent in the near future, which confirms the strategic importance of this sector. The remote work system serves as an important macroeconomic instrument in mobilizing labor resources and expanding regional coverage; it enables the integration of not only the population of urbanized large megacities but also citizens in remote and rural areas—who are considered relatively passive in the labor market—into active economic activity. This elastic labor model serves to ensure social stability by easing internal migration pressures, specifically by creating inclusive and flexible working

conditions for segments such as women and youth. However, the full integration of this innovative trend into the economy requires addressing a number of institutional tasks, such as improving digital infrastructure, enhancing the digital literacy of the population, and aligning current labor legislation with modern virtual relations.

In the Republic of Uzbekistan, digital transformation and ensuring population employment have also been designated as among the highest priority areas of state policy. Specifically, within the framework of state programs adopted under the "Uzbekistan–2030" Strategy and the regulatory reforms intended for 2025, important tasks have been set for implementing remote and flexible labor relations within state agencies and the management system. At the government level, the development of a draft resolution by the Cabinet of Ministers to legally regulate the procedures for organizing remote work activities is aimed at eliminating institutional gaps in this area. These regulatory documents envision forming a registry of functions that can be performed remotely, establishing rules for the virtual activity of public servants, and introducing piece-rate (results-based) labor mechanisms.

Based on these economic and institutional needs, this research paper scientifically analyzes the economic essence of remote employment, outstaffing, and outsourcing systems – which represent modern forms of remote labor activity – their unique conceptual characteristics, and the prospects for their application in our republic, taking into account the specific features of the national labor market.

LITERATURE REVIEW.

The transformation of labor activity beyond traditional spatial and temporal boundaries into decentralized and virtual forms has been extensively studied in economic theory within the frameworks of labor market flexibility and transactional cost concepts. The economic nature of institutions such as remote employment, outstaffing, and outsourcing, as well as their socio-economic efficiency, is reflected in the scientific works of numerous foreign and local economists.

Among representatives of the Western school of economics, R.G. Ehrenberg and R.S. Smith, in their fundamental research on labor economics, analyzed the interconnectedness between structural changes in the labor market and state employment policy. According to their views, during periods of economic fluctuation and technological progress, the flexibility of labor relations serves as a primary factor for employers to reduce costs and rapidly adapt to market conditions. Within the framework of this concept, outstaffing and outsourcing mechanisms are evaluated as instruments for minimizing the institutional risks of enterprises in the sphere of employment.

The development of digital technologies and the trends in the formation of global digital jobs are regularly monitored by experts from the World Economic Forum. Their latest analytical reports emphasize that the remote labor format has led to the formation of not only local but also transnational labor markets, and this process has turned the "work from anywhere" principle into a major trend in human resource policies.

In the practical experience of transnational corporations, the macroeconomic efficiency of outsourcing services is clearly demonstrated through the example of global giant companies. Specifically, the annual reports of IBM Corporation (IBM Annual Report) show that through its global services, consulting, and business process outsourcing (IBM Global Services, Consulting, Global Business Services), the company has engaged hundreds of thousands of highly qualified specialists across more than 175 countries into virtual labor relations. This state of affairs demonstrates that outsourcing exerts a high impact on the optimization of capital and labor resources on an international scale.

Economists from the Commonwealth of Independent States (CIS) and our republic are also researching modern models of labor relations based on the specific characteristics of national

economies. Academician K.Kh. Abdurakhmanov, in his works dedicated to the theory and practice of labor economics, has systematically shed light on non-traditional forms of ensuring population employment and the functional characteristics of the virtual labor market under the conditions of the digital economy. According to the scholar's view, the digitalization of the labor market expands the traditional concept of employment and serves as an important institutional basis for increasing the flexible employment of the economically active population, particularly women and youth.

However, the analysis of economic literature and practice shows that to date, within the context of developing economies—specifically Uzbekistan—the issues of forming the legal-institutional foundations of remote labor mechanisms, the complex utilization of outstaffing and outsourcing models in optimizing corporate personnel management, and the methodology for the comparative assessment of their economic efficiency have not been sufficiently and comprehensively researched. This serves as the basis for defining the aims and objectives of this research paper.

METHODOLOGY.

The methodological foundation of this research paper consists of a systemic approach aimed at studying economic phenomena and processes in their interconnectedness and dynamic development. In the process of evaluating remote work activity as a modern and flexible mechanism for ensuring population employment, as well as analyzing its structural components—namely outstaffing and outsourcing systems—a number of scientific and analytical methods were comprehensively utilized.

The following specific scientific methods were applied within the scope of the research:

Comparative economic analysis: Through this method, the functional characteristics of outstaffing and outsourcing mechanisms—which represent non-traditional forms of employment in the labor market—were mutually compared and analytically evaluated, focusing on aspects such as the employees' workplace, the terms of the employment contract, and the positive (beneficial) as well as negative (risk-related) aspects for the employer.

Statistical grouping and data systematization: Through this method, statistical data regarding the market share, annual financial turnover, number of employed population, and sector-specific indicators of outsourcing and outstaffing services within the experience of developed foreign nations (the USA, European Union countries, and Israel) and transnational corporations (such as IBM) were grouped and generalized.

Institutional and legal analysis: Through this method, the legal foundations for implementing and regulating remote labor relations in the Republic of Uzbekistan were analyzed, specifically focusing on the regulatory documents being developed within the framework of the "Uzbekistan–2030" Strategy and state programs intended for 2025, alongside their defined functional tasks.

Induction and deduction: Based on the trends (general regularities) of the virtual labor market at the international and transnational levels, the specific directions for developing the activities of local outstaffing and outsourcing companies ("STAFAR Human Resource Management", "STAFAR Employment", "ALEX Technical", "Unistaff Global Services", "Syntonic"), which are just in the formation stage within the labor market of Uzbekistan, were determined.

The informational and empirical basis of the research comprises reports from the World Economic Forum, annual reports of international corporations, draft regulatory documents of the Republic of Uzbekistan, as well as data from relevant local and foreign scientific publications. The methodological apparatus applied serves to ensure the reliability, along with the scientific and practical validity, of the research findings.

RESULTS.

Conducted research indicates that, starting from the second decade of the 21st century, the acceleration of digitalization processes in the global economy and the impact of the COVID-19 pandemic sharply accelerated the transition from traditional work formats to the remote labor model. According to projections by the World Economic Forum, the share of remote jobs in the global labor market is expected to increase up to 25 percent in the near future.

Empirical observations conducted in developed countries show that remote labor activities are primarily performed by the highly educated and economically active youth demographic (aged 26–42). At the same time, it was determined that nearly 45 percent of remote employees are engaged in small and medium-sized business entities, while 29 percent operate within large corporations. This state of affairs constitutes an integral part of the process of labor activity decentralization across time and space, thereby shaping a flexible, virtual labor market.

Within the framework of the research, the functional similarities and specific differences between outstaffing and outsourcing mechanisms—which are considered modern institutions of flexible employment in the labor market—were systematized. Based on the obtained results, their comparative characteristics are manifested through the following parameters:

- **Workplace of employees:** In the outstaffing system, the "leased" employee operates on the premises or under the control of the client company, whereas in outsourcing, they perform their labor within the subcontractor's own physical or virtual workplace.

- **Contractual relations:** Outstaffing contracts are mainly short-term in nature (up to 9 months), whereas outsourcing contracts are concluded on a long-term and renewable basis.

- **Economic benefits for the employer:** In both formats, workplace maintenance and administrative management costs are minimized. However, while outstaffing allows for the recruitment of niche specialists and the continuous acquisition of reports directly from executors, outsourcing provides the opportunity to rapidly scale staff numbers to address specific production tasks and optimize labor expenses by paying the intermediary for each individual employee.

- **Risks (negative aspects):** In outstaffing, the main drawback is the low capability to continuously supervise the task being performed, whereas in outsourcing, a lack of full administrative accountability for the ultimate outcome is observed among the temporary, externally hired personnel.

Analysis of international practice shows that these institutions yield high economic efficiency in developed nations. For instance, while the collection of federal taxes in the United States is entrusted to outsourcing services, the IT system of the tax service in the United Kingdom is delegated to the outsourcing provider "Dell".

In Western Europe, more than 80% of small and medium-sized business entities, over 90% in the United States, and 94% in Israel have completely transferred their accounting services to outsourcing companies. Regarding the outstaffing market, there are more than 2,000 specialized companies in the United States, while in the European Union, this system employs 7 million people annually, with a market turnover exceeding 80 billion US dollars.

In the labor market of Uzbekistan, these processes are currently in the transformation and formation stage. Today, foreign companies in the republic primarily utilize outsourcing services as supplementary structural subdivisions in the fields of accounting, personnel policy, national legislation, and ICT.

Within the local market, the first specialized entities providing outstaffing services («STAFAR Human Resource Management», «STAFAR Employment») have emerged. In addition, outsourcing elements are being successfully applied in practice by companies such as ALEX Technical in the ICT field, Unistaff Global Services for financial accounting, and Syntonic in the call-center direction.

Another unstable form of employment is outsourcing. Outsourcing (from English "outsourcing" – "utilizing an external source and/or resource") refers to a company delegating certain non-core production functions (such as accounting, legal services, marketing research, data processing, etc.) to another partner specializing in that field on a contractual basis. In this regard, there are certain similarities between outstaffing and outsourcing (Table 1).

Table 1

Similarities and Differences Between Outstaffing and Outsourcing

Indicators	Characteristics of outstaffing	Characteristics of outsourcing
Employee's workplace	"Leased" employee company	Subcontractor's or own personal workplace
Employment contract term	Short-term (up to 9 months)	Long-term with the possibility of extension
Benefits for the employer	Savings on workplace maintenance costs Ability to delegate production tasks to narrow specialists Regular reporting from performers Reduction in administrative work	Savings on the cost of maintaining a workplace Savings on wages (only payment to the intermediary per employee) The possibility of increasing the number of employees to solve a specific production task
Negative aspects for the employer	Lack of regular monitoring of the task being performed	The temporary employee's lack of full responsibility for the final result

The necessity of attracting external personnel or specialists to perform certain production functions in an enterprise is explained by a number of factors. First of all, this situation is linked to the increasing technological complexity of production processes. At the same time, modernizing production to execute certain functions efficiently requires significant financial investments. Escalating market competition and growing demands regarding product quality also drive enterprises to leverage the assistance of external specialists. Furthermore, the ongoing processes of economic globalization are further increasing the demand for outsourcing services in corporate operations.

The most critical structural outcome at the national level is the institutional integration of remote work into the public sector. Within the framework of the "Uzbekistan–2030" Strategy, regulatory initiatives have been established to introduce remote and flexible work systems within state bodies.

Through a draft resolution expected to be adopted at the governmental level, it is envisioned to introduce a registry of functions that can be performed remotely within the civil service, rules for the virtual operation of public servants, and result-oriented (piece-rate) labor mechanisms. This will provide an opportunity to completely eliminate existing legal gaps associated with the application of remote labor in public administration.

CONCLUSION.

Under the conditions of global digitalization trends and the requirements of an innovative economy, the transformation of the traditional labor market and the integration of remote work models in ensuring population employment is an inevitable, objective process.

As a result of the conducted scientific-theoretical and practical research, the following conclusions have been formulated:

First, remote work activity serves as a modern mechanism that shapes a flexible labor market by shifting the economic relations between the employer and the employee into a virtual environment based on spatial and temporal decentralization. This model enables enterprises to optimize office rent and administrative management expenses, while allowing employees to save both transportation and time resources.

Second, outstaffing and outsourcing institutions are time-tested tools for optimizing personnel headcount and achieving high economic efficiency within the economies of developed nations. Analysis indicates that although these systems are still in their initial formation stages within the labor market of Uzbekistan, they possess high growth potential, particularly in the fields of ICT, consulting, accounting analysis, and customer communications.

Third, the regulatory and legal initiatives established within the framework of the "Uzbekistan-2030" Strategy to introduce remote and flexible work systems into the public sector will serve to eliminate institutional gaps in the national labor market and strengthen result-oriented (piece-rate) labor mechanisms in public administration.

Based on the research findings, the following scientific and practical proposals are put forward to expand remote work activities in Uzbekistan as an effective mechanism for ensuring population employment:

1. Improving the Institutional Environment: Taking into account the specific characteristics of the virtual labor market, it is necessary to clearly define the legal status of outstaffing and outsourcing relations in the current labor legislation, and to strengthen the social protection of employees and guarantees of labor safety in the virtual environment.

2. Enhancing Digital Infrastructure and Literacy: It is essential to improve high-speed internet and ICT infrastructure in remote and rural areas, alongside expanding programs aimed at increasing the digital literacy of the population. These measures will create favorable conditions for reducing internal migration pressures and ensuring the inclusive employment of women and youth.

3. Stimulating Digital Labor in Public Administration: It is highly advisable to expedite the approval of the registry of functions that can be performed remotely within state bodies and to adapt the employee Key Performance Indicator (KPI) evaluation system to the digital labor format.

4. Supporting the Local Outsourcing and Outstaffing Market: It is necessary to foster a culture of shifting non-core functions to external sources (outsourcing) among small and medium-sized business entities by incentivizing local specialized HR companies and service providers through the provision of tax and administrative benefits.

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