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Global Trends in Employment Formation in the Service Sector on the Example of Developed Countries and Their Methodological Significance for Uzbekistan

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Abstract: The service sector has become a decisive driver of employment growth in the global economy, particularly in developed countries where digitalization, platform labor, and human capital investment are reshaping labor markets. The experiences of the United States, the European Union, Japan, South Korea, and Singapore demonstrate diverse but interconnected models of employment formation in the service sector, including the gig economy, flexicurity, technology-driven services, service culture, and knowledge-based employment, all of which are increasingly relevant for Uzbekistan's economic transformation. Despite extensive international experience, there is insufficient systematic analysis of how these foreign employment models can be methodologically adapted to Uzbekistan's national conditions, taking into account institutional capacity, labor market structure, and ongoing reforms. This study aims to conduct a comparative analysis of service-sector employment models in developed countries and to assess their methodological significance for the modernization and diversification of employment in Uzbekistan. The findings show that employment growth in the service sector is closely linked to digital transformation, expansion of highly skilled services, labor market flexibility, and continuous investment in human capital, with consistent growth trends observed during 2020–2024 across all analyzed countries. The study provides an integrated comparative framework that connects global employment models with Uzbekistan's reform agenda, emphasizing transferable mechanisms rather than direct replication. The results offer a methodological basis for developing national employment strategies in Uzbekistan's service sector, supporting digital platforms, service culture development, skills training, and inclusive labor market policies to ensure sustainable and competitive employment growth.

Keywords: Service Sector, Employment Model, Gig Economy, Digital Transformation, Flexicurity, Service Economy, Human Capital, Platform Labor, International Experience, Uzbek Labor Market.

1. Introduction

The deep transformation processes taking place in the world economy are fundamentally changing the position of the service sector in the labor market in qualitative terms. In particular, digitalization, the expansion of the platform economy, the popularization of gig labor, and the growth of the highly skilled services segment require a reconsideration of approaches to the formation of employment in the service sector. Today, the main feature of the labor market of developed countries is flexible employment,

services requiring high skills, the priority of innovative forms of work, and a sharp increase in investments in human capital [1].

The service sector has become a key driver of economic growth, job creation, and population well-being on a global scale. The experience of the United States, the European Union, Japan, South Korea, and Singapore shows that the growth of employment in the service sector is directly related to the process of servitization of the economy, the introduction of innovative technologies, the training of highly skilled personnel, the improvement of the social protection system, and the liberalization of the labor market. The fact that the share of the service sector in employment in these countries has reached 70–82 percent further reinforces the strategic importance of this trend [2].

The service sector is also one of the fastest growing sectors in the Uzbek economy, providing the bulk of employment. In recent years, the country has been implementing large-scale reforms to form a digital economy, simplify business processes, develop new types of services, support platform labor, and increase investment in human capital. However, it remains necessary to deeply study international experience in the formation of innovative forms of employment and adapt it to national conditions [3].

From this point of view, foreign models of employment formation in the service sector - the flexible gig economy of the United States, the flexicurity concept of the EU, the technology services employment model of South Korea, the service culture-based approach of Japan, and the knowledge economy model of Singapore - are of great theoretical and practical importance for Uzbekistan. The study of these experiences serves as a methodological basis for the formation of modern employment mechanisms in the service sector, training personnel in accordance with the requirements of the labor market, developing digital platforms, and improving the quality of services [4].

Therefore, this study is aimed at scientifically analyzing foreign experience in the formation of employment in the service sector, identifying their strengths and weaknesses, and substantiating the possibilities of their application in the conditions of Uzbekistan, and is of strategic importance for increasing the competitiveness of the service sector in our country [5].

Analysis of literature on the topic.

The scientific heritage of foreign and domestic researchers serves as an important methodological basis in studying global trends in employment formation in the service sector. Classical and modern sources devoted to the transformation of the labor market of developed countries provide a deep justification for the heterogeneous characteristics of employment in the service economy.

Researchers such as Brynjolfsson and McAfee, De Stefano, Standing on the formation of the gig economy and the economic mechanisms of platform labor emphasize that the rapid growth of flexible, temporary and digital employment in the service sector has led to a transition to a new format of labor relations. In their opinion, the modern service market is primarily shaping employment based on digital platforms rather than stable permanent jobs [6].

On the flexicurity model used in the European Union, Wilthagen, Klosse and the official reports of the EU Commission conclude that ensuring the compatibility of the labor market with the social protection system ensures stable and high-quality employment in the service sector. This approach serves to increase not only the number of jobs in the service sector, but also their quality.

OECD reports, Tapscott and Tapscott, and ILO analyses of digital labor in the study of the experience of South Korea and Singapore in technological services employment deeply substantiate the impact of digital infrastructure, IT services, and training systems on the labor market in the service sector. As they noted, the growth of employment in the service sector directly depends on the level of integration with digital technologies [7].

Japanese service culture and service philosophy, theorists Ishikawa, Imai, and Kaizen scientifically substantiated that quality in services, employee discipline, and continuous improvement are the main components of employment efficiency. This approach shows that employment in the service sector is formed not only through economic, but also through socio-cultural factors.

Local scientists Abdurakhmonov Q.Kh., Khudoyberdiev Z.Y., Abdurakhmonova G.Q., Shodmonov Sh.Sh. Economists such as have proposed scientific approaches to the employment potential of the service sector, the structure of the labor market, the efficiency of service provision, and the impact of the digital economy on labor relations. Their research plays an important role in creating a national methodological framework for the modernization of the service sector of Uzbekistan, the development of innovative forms of employment, and the improvement of personnel skills [8].

Also, the Ministry of Employment and Labor Relations of the Republic of Uzbekistan, the State Statistics Committee, and the “Digital Uzbekistan - 2030” strategy provide up-to-date statistical and normative data on employment trends in the service sector, job creation strategies, and the impact of digital transformation on the labor market.

In general, the analysis of the literature shows that the global model of employment formation in the service sector is inextricably linked with digitization, flexible labor approaches, human capital development, and the intellectualization of the service economy. Foreign experiences serve as a solid theoretical and practical basis for developing innovative employment strategies in the services sector of Uzbekistan [9].

2. Methodology

The research methodology was aimed at a systematic study of foreign experience in the formation of employment in the service sector. The theoretical basis of this approach was the theories of post-industrial society, the service economy, the platform economy, the gig economy, the flexicurity model and the concept of human capital. The study compared the employment models of the USA, the European Union, Japan, South Korea and Singapore through a comparative analysis, and assessed their shaping factors - digitization, service quality, changing skill requirements and institutional reforms - based on a systematic approach. Statistical data for 2020–2024 were dynamically analyzed, and employment growth trends were identified. Also, the scientific views of international experts were summarized and methodological conclusions adapted to the conditions of Uzbekistan were developed [10].

3. Results and Discussion

A study of foreign experience in the formation of employment in the service sector shows that although developed countries have organized this process based on different economic models, there are common aspects that unite them: digital transformation, the expansion of the gig economy, the growth of the highly skilled services segment, a flexible labor market, investment in human capital, and the improvement of the social protection system [11].

Table 1. Comparative model of employment formation in the service sector by foreign countries.

Country	Employment model	Key features	Strengths	Importance for Uzbekistan
United States	Gig economy + flexible labor market	Platform work, freelancing, high skills, digital services	Innovative employment, high flexibility	Creating platforms, developing freelancing
European Union (EU)	Flexicurity (flexibility + protection)	Digital skills demand, strong social protection, flexible schedule	Stable employment, secure labor market	Gradual implementation of the Flexicurity model
South Korea	Technological service employment model	IT services, e-commerce, smart education, lifelong learning	Highly qualified personnel, high share of digital services	Increasing employment through IT services and technoparks
Japan	Service culture-based employment	Omotenashi philosophy, service discipline, Kaizen, service quality	Customer-oriented employment, high quality of service	Strengthening service culture, service standards
Singapore	Knowledge economy employment model	SkillsFuture, global service center, skill vouchers	Highly qualified employees, continuous training	Educational loans, service qualification centers

Table 1 presents a comparative model of employment formation in the service sector across selected foreign countries, including the United States, the European Union, South Korea, Japan, and Singapore. The table outlines dominant employment models, key structural features, and their main strengths, such as labor market flexibility, technological orientation, service culture, and human capital development. It also highlights the relevance of each model for Uzbekistan, emphasizing transferable practices like platform employment, flexicurity, digital services, and continuous skills training that can support the modernization and diversification of the national service sector [12].

The formation of employment in the US service sector is characterized by high flexibility, platform work and the predominance of skilled service professions. The gig economy, formed through platforms such as Uber, Lyft, Upwork, Fiverr, accounts for 36% of employment. The main essence of this model is the formation of services based on real-time demand, not tying employees to a permanent employer, and regulating service services by volume.

The US model can be an important methodological basis for Uzbekistan in diversifying employment in the services market, creating technological platforms and developing freelance work for young people [13].

The European Union ensures the quality and stability of employment in the services sector through the flexicurity model. This model is based on two foundations:

1. Flexibility — flexible working conditions
 - Short working weeks,
 - Remote work,
 - Temporary contracts.

2. Security — strong social protection

- Employment insurance,
- Retraining programs,
- Minimum social guarantees.

Digital skills are a mandatory requirement in the EU. This ensures high-quality employment in the service sector.

The EU model is very important for Uzbekistan in maintaining social stability during the period of economic modernization.

South Korea forms employment in the service sector through IT services, smart logistics, online education platforms and e-commerce. The Korean government is constantly retraining each employee based on the principle of lifelong learning. As a result, the share of highly qualified employees in the service market is constantly increasing [14].

The main strength of this model is the integration of service work with technology. This is an important experience for Uzbekistan in forming IT service clusters.

In Japan, the formation of employment in the service sector is based on the philosophy of “Omotenashi” - service with high respect for the client. The service culture, courtesy, and responsibility for service quality of employees are the main criteria for labor.

Lean Service, Kaizen and continuous improvement increase labor productivity in the service sector. The Japanese model is very useful for Uzbekistan in developing national standards for service quality and strengthening service culture [15].

Singapore is shaping employment in the services sector through a knowledge-based economy. Through the SkillsFuture program, each employee receives a voucher for training annually. This will constantly increase the share of highly qualified personnel in the services sector.

Also, as a global services center, Singapore is creating highly qualified jobs in finance, logistics, tourism and IT services.

This model is a good example for Uzbekistan in creating skill centers in the services market, introducing educational loans and training personnel based on international standards [16].

The change in the share of employment in the service sector in developed countries in 2020–2024 deeply reflects the servitization of the economy and the structural transformations taking place in the labor market. When analyzing the data in the table, a consistent growth trend in employment in the service sector is observed for all five countries. This indicates that the service sector has become the main driver in the global economy, and in the conditions of an innovative and digital economy, the service sector has the potential to create high value.

The increase in employment in the US from 79 percent in 2020 to 82 percent in 2024 is explained by the flexibility of the labor market, the high level of diversification of the service economy, the expansion of the platform economy (gig economy), as well as a significant increase in the share of highly skilled services (IT, finance, healthcare, education). In the US model, the growth of employment in the services sector is associated with a strongly developed innovation ecosystem, which confirms the country's full transition to the post-industrial stage of development [17].

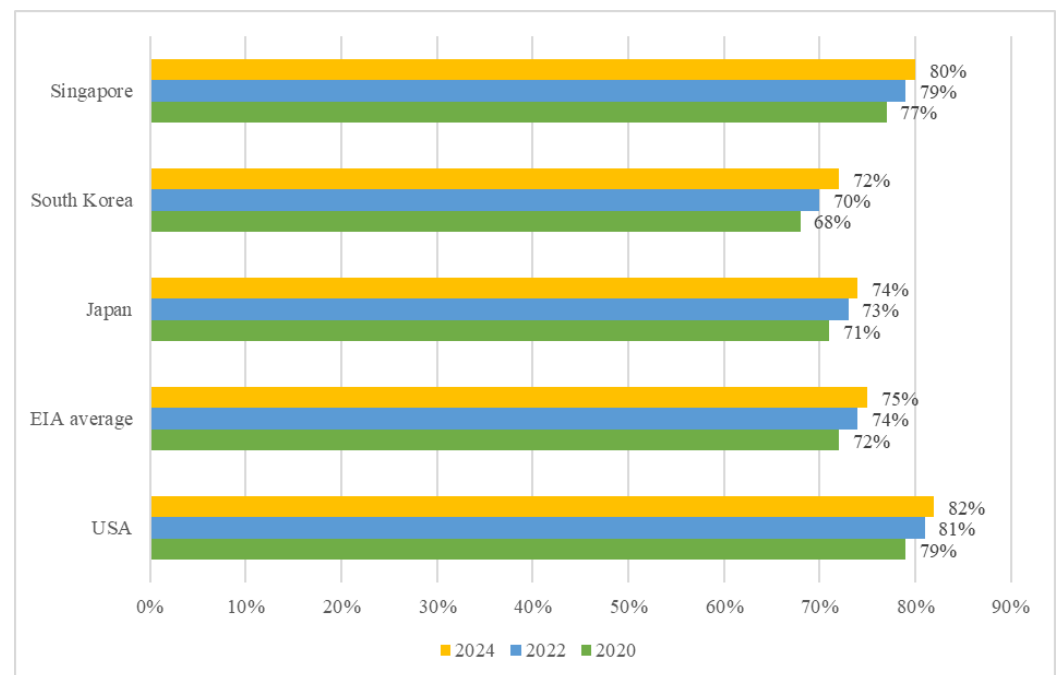


Figure 1. Dynamics of the share of employment in the service sector in developed countries.

Growth in the European Union is relatively stable, with the employment rate increasing by 3 percentage points by 2024 compared to 2020. The main feature of the EU model is flexicurity, that is, a combined system of flexibility and social protection. This creates conditions for the safe and sustainable expansion of employment in the service sector. Policies aimed at developing digital competencies in European countries are ensuring a qualitative renewal of employment in the service sector (1-picture) [18].

In Japan, the growth of employment from 71% to 74% is associated with service culture and quality requirements in the service process. The service sector in Japan is formed on the basis of the philosophy of “Omotenashi”, which requires the pursuit of excellence in the service process, high qualifications and discipline of employees. Therefore, employment growth in Japan is determined by quality factors.

In South Korea, the growth of employment from 68% to 72% is the result of technological modernization of the service sector. In Korea, the service sector is growing rapidly due to the rapid expansion of the IT, smart logistics, e-commerce, fintech and online services market. The state's strategic approach to developing digital infrastructure is accelerating the process of redistribution of labor [19].

The increase in the employment share in Singapore from 77 percent to 80 percent indicates the successful implementation of the knowledge economy model. The country's national program "SkillsFuture", focused on human capital, allows for continuous improvement of the skills of employees, strengthening the competitiveness of the service sector. As a global business, financial and logistics center, Singapore is creating the basis for an increase in the employment share, increasing the demand for highly skilled services.

4. Discussion

The findings of this study confirm that employment formation in the service sector of developed countries is undergoing a profound structural transformation driven by digitalization, the expansion of platform-based labor, and increasing investment in human capital. The comparative analysis demonstrates that despite differences in national economic models, common patterns emerge, including labor market flexibility, growth of

highly skilled services, and the integration of social protection mechanisms. These results align with existing theoretical perspectives on the post-industrial and service-based economy, where employment increasingly shifts toward knowledge-intensive, technology-driven, and customer-oriented activities [20].

At the same time, the study reveals a clear knowledge gap in the adaptation of these models to developing economies, particularly regarding institutional readiness, digital infrastructure, and workforce skills. While international experience provides strong methodological guidance, the direct transfer of foreign models without contextual adjustment may limit their effectiveness. This highlights the need for deeper theoretical research on how global employment concepts such as the gig economy, flexicurity, and service culture can be localized within Uzbekistan's socio-economic and regulatory framework.

From a practical perspective, the results suggest that Uzbekistan can significantly enhance service-sector employment by developing digital platforms, strengthening service culture standards, and investing systematically in lifelong learning. However, further empirical research is required to assess the long-term social effects of flexible and platform-based employment, especially in terms of income stability and social protection. Future studies should also focus on quantitative modeling of employment dynamics in the service sector, sector-specific case studies, and the impact of digital skills programs on labor productivity. Overall, the discussion underscores that combining international best practices with nationally tailored policies is essential for achieving sustainable and inclusive employment growth in Uzbekistan's service economy.

5. Conclusion

The results of the study of global trends in employment formation in the service sector on the example of developed countries show that this sector plays a decisive role in the modern economy. The analysis shows that in recent years, countries such as the USA, the European Union, Japan, South Korea and Singapore have been experiencing a steady increase in the share of employment in the service sector. This is explained by the servitization of the economy, the active integration of digital technologies, the expansion of platform labor and the gig economy.

The experience of the above countries confirms that the successful formation of employment in the service sector is based on the following common factors:

- Flexibility of the labor market;
- Widespread use of digital platforms;
- Systematic investment in human capital;
- Strong integration of social protection mechanisms;
- High requirements for service quality and service culture.

In the conditions of Uzbekistan, these factors are of strategic importance. In recent years, the growth of the service sector in the country and the expansion of the share of employment, reforms aimed at the digital economy, and entrepreneurship support programs indicate that this area is highly promising. A deep study of international experience will allow us to identify effective ways to modernize employment in the service sector for Uzbekistan.

Recommendations

Based on this, the following practical proposals can be put forward:

1. In order to diversify employment in the service sector, it is necessary to regulate the platform economy and gig labor. It is proposed to develop a separate regulatory framework for online platforms based on the experience of the US and the EU, and to create social protection mechanisms for freelancers.

2. It is advisable to increase the flexibility of the labor market by gradually introducing the flexicurity model. This will not only ensure employment security, but also stimulate sustainable growth in the service sector.
3. To develop high-tech service areas such as IT services, e-commerce, and smart logistics, it is necessary to organize service clusters based on the experience of Korea and Singapore. This will lead to the creation of new highly qualified jobs.
4. It is recommended to use the Japanese model of improving service culture and introducing national service standards. This will increase service quality and customer satisfaction, and strengthen the competitiveness of the industry.
5. It is necessary to increase investment in human capital. The introduction of regular training programs in digital skills, soft skills, and customer communication culture will ensure the growth of innovative employment in the services sector.
6. It is recommended to create an employment monitoring and forecasting system in the services sector. This will allow to identify changing market demands, assess the potential for new jobs, and clearly direct state policy.
7. It is advisable to strengthen the mechanisms of programs such as “Youth Notebook” and “Women’s Notebook” aimed at creating employment in the services sector. In the practice of developed countries, support for social groups plays an important role in expanding the services sector.

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