HSR (LONDON),
HOUGHTON STREET REVIEW JOURNAL
ISSN: 2058-5519|Impact factor-15.9
http://houghtonstreetreview.com/index.php/hsr

INTEGRATION OF THE EDUCATION SYSTEM AND LABOR MARKET: ALIGNMENT OF QUALIFICATION REQUIREMENTS AND GRADUATES' COMPETENCIES

Akbarova Iroda Samatovna
Independent researcher at Tashkent State University of Economics
E-mail: abbosovzuhriddin@gmail.com

Abstract: This article examines the alignment between the competencies of specialists trained within the education system and the modern qualification requirements set by the labor market. The aim of the study is to identify the main causes of mismatches between education and labor market demands and to propose mechanisms for reducing them.

Keywords: Education system, labor market, human capital, professional competence, qualification requirements, graduate employment, education–labor market integration.

Introduction. In the context of globalization and digital transformation, the labor market is rapidly evolving, and employers' requirements for specialists are continuously updated. Technological progress, digitalization, automation, and the emergence of new professions have increased demand not only for theoretical knowledge but also for practical skills, digital literacy, problem-solving, critical thinking, communication abilities, and teamwork. Therefore, one of the main tasks of the education system is to anticipate labor market changes and prepare competitive specialists who meet future demands. Higher and vocational education play a crucial role in shaping human capital and supplying qualified professionals to the economy. However, discrepancies between the skills taught in educational institutions and the competencies required by employers remain a pressing issue, complicating graduates' employment prospects and limiting employers' access to qualified staff.

Youth employment is particularly affected by this mismatch. Successful entry of graduates into the labor market is vital not only for their personal economic well-being but also for the socio-economic development of the country. Lack of practical experience, insufficient development of in-demand competencies, and misalignment between study programs and available jobs negatively influence youth employment.

Ensuring consistency between education and labor market needs requires a strong linkage between "knowledge and skills provided by education — competencies demanded by the labor market — graduate employment." Achieving this harmony contributes to effective use of human capital, increased youth employment, satisfaction of employers' demand for skilled workers, and enhanced competitiveness of the economy.

Literature Review:

- Woods, E., & Metzger, K. analyzed human capital in terms of depreciation, retention, and exit from the labor force.
- Zakharova, L. V. examined the development of the education services market and its relationship with labor market dynamics.
- Mincer, J. (1974) empirically modeled the economic efficiency of human capital, proving that years of schooling and work experience significantly affect income levels.
- Rubin, Yu. B. studied models of higher education services across different stages of labor market development.
- McGuinness, Pouliakas, & Redmond (2018) defined "skills mismatch" as the gap between employers' required skills and workers' actual skills.

HSR (LONDON),
HOUGHTON STREET REVIEW JOURNAL
ISSN: 2058-5519|Impact factor-15.9
http://houghtonstreetreview.com/index.php/hsr

• International Labour Organization (ILO) emphasized that skills mismatch affects wages, employment, productivity, and competitiveness.

• Brun-Schammé & Rey (2021) highlighted the importance of considering both education level and field of study when measuring mismatch.

Methodology: The study employed statistical analysis, comparative analysis, employer requirements assessment, and comparison of education programs with labor market vacancies.

Results:

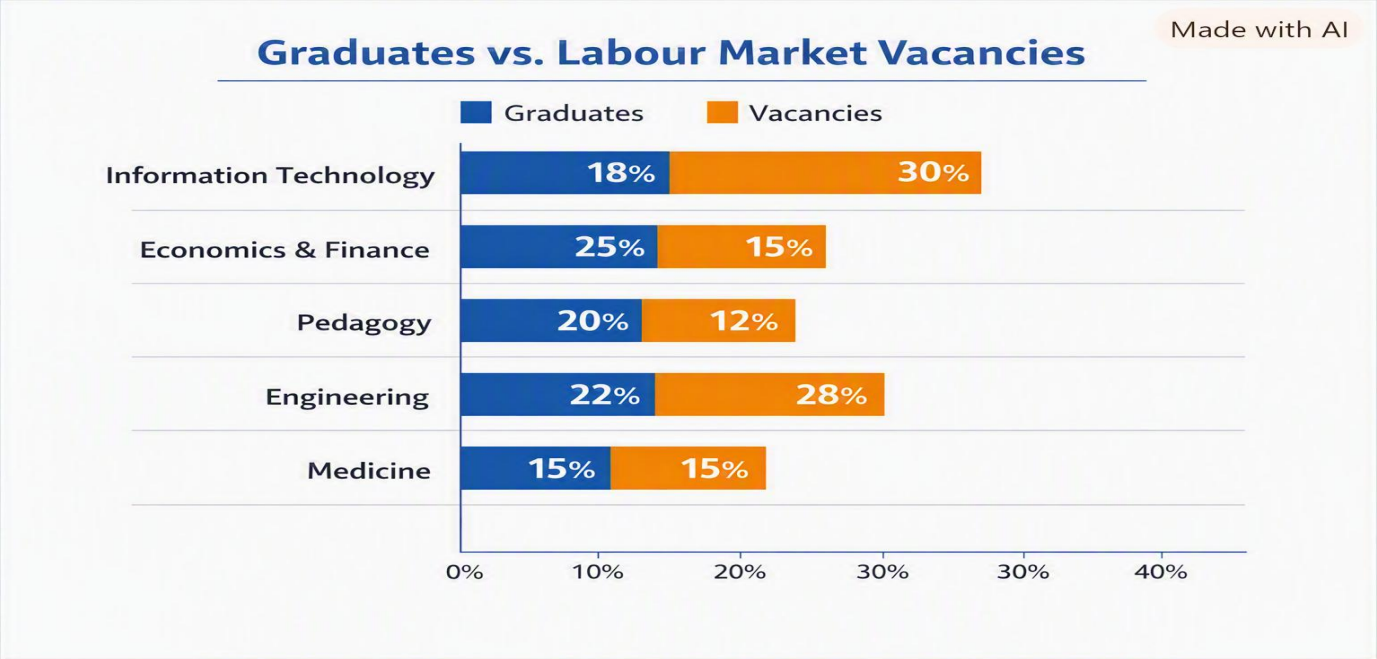
• Competency gap: Education remains overly theoretical, while practical skills and digital literacy are underdeveloped.

• Youth employment challenges: Graduates struggle to find jobs in their field due to lack of practical experience and misalignment with market needs.

• Forms of skills mismatch: Overqualification, underqualification, mismatch between specialization and job tasks, and skill obsolescence are observed in Uzbekistan.

• Adaptation of education services: Higher education institutions insufficiently account for labor market demands.

• Economic efficiency: Analysis based on Mincer's earnings function confirmed that education years and work experience significantly influence income.



Explanation:

• **In Information Technology,** the share of graduates is lower than the share of vacancies, indicating a shortage of skilled professionals.

• **In Economics and Finance,** the opposite is observed: more graduates than vacancies, reflecting an oversupply of qualifications.

• **Pedagogy** shows a mismatch of +8%, meaning graduates exceed demand.

• **In Engineering,** vacancies outnumber graduates, pointing to a shortage of specialists.

• **In Medicine,** the balance is maintained — the proportion of graduates matches the labour market demand.

HSR (LONDON),
HOUGHTON STREET REVIEW JOURNAL
ISSN: 2058-5519|Impact factor-15.9
http://houghtonstreetreview.com/index.php/hsr

Conclusion:

Strengthening integration between education and the labor market requires:

- Aligning curricula with labor market needs
- Enhancing practical training
- Incorporating digital competencies as mandatory components
- Expanding internships and practice-based programs

These measures will improve youth employment, meet employers' demand for skilled professionals, and boost the competitiveness of the economy.

References.

1. Brun-Schammé, A., & Rey, F. (2021). *Measuring skills mismatch: OECD perspectives.*
2. International Labour Organization (ILO). *Skills mismatch and labour market outcomes.*
3. McGuinness, S., Pouliakas, K., & Redmond, P. (2018). *Skills mismatch and the labour market.*
4. Mincer, J. (1974). *Schooling, Experience, and Earnings.* New York: Columbia University Press.
5. Rubin, Yu. B. *Models of higher education services.*
6. Woods, E., & Metzger, K. *Analysis of human capital and labor resources.*
7. Zakharova, L. V. *Development of the education services market.*
8. Rejapov, X. X. *Adapting higher education services to labor market demands. Economics and Innovative Technologies Journal*, Tashkent.