

FORMATION AND DEVELOPMENT OF THE LABOR MARKET IN UZBEKISTAN

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ABSTRACT

In this article The formation and development of the labor market in Uzbekistan, its state is described. Unemployment caused by pandemic restrictions and the measures taken to eliminate it and mitigate the situation are analyzed. Also, the reforms being carried out to ensure the stability of the labor market are highlighted. International experiences are studied, the problems of ensuring the employment of the population are indicated and directions for their elimination are suggested.

Introduction

Millions of people have lost their ability to work due to the coronavirus pandemic. Due to the introduction of quarantine measures in the world, the activities of non-essential companies and enterprises have been temporarily suspended. As a result of the introduced quarantine measures, the demand for goods and services in the domestic and foreign markets has decreased significantly.

In the context of the aggravation and danger of such socio-economic processes, Uzbekistan, along with many other countries, has taken and continues to take measures to provide comprehensive support to the population. In particular, primary attention is being paid to public health care, assistance to unemployed citizens, and entrepreneurs. In particular, the Anti-Crisis Fund with a fund of 10 trillion soums was established, and its funds were directed to health care, social infrastructures, and financial support of the population and enterprises. During 2020, over 500,000 entrepreneurs and over 8 million citizens were granted benefits amounting to 34 trillion soums, and 2.6 trillion soums of additional funds were allocated for social benefits, material assistance and employment growth.

Today, reforms are being implemented in the country to ensure the employment of the population, especially the wide introduction of the self-employment mechanism and to support its development, and the legislative framework is being improved. In particular, in order to regulate relations in the field of population employment, on October 20, 2020, the Law of the Republic of Uzbekistan "On Population Employment" No. ORQ-642 was adopted.

With this document, a number of issues related to providing employment to the population were determined at the level of the Law. Including:



- allocating subsidies, grants and loans to encourage employment and attract entrepreneurship;
- forming a state report on job creation every year;
- types of services provided by local labor authorities to jobseekers and unemployed persons;
- procedure for registration and deregistration of jobseekers by local labor authorities;
- Management of the interdepartmental software-hardware complex "Uniform National Labor System";
- electronic calculation of seniority.

It is not an exaggeration to say that all these are the beginning of reforms aimed at the formation, development, regulation of the labor market, simplification of the processes of finding a job and self-employment, and their support in Uzbekistan, where the population is increasing.

Critical analysis of literature on the topic

In general, the economic function of the labor market is the rational attraction, distribution, regulation and use of labor (Korzhova, 2015).

In the labor market, the supply and demand for labor is influenced by population, its composition by gender and age, birth rate, i.e., demographic factors. In particular, several factors of the influence of demographic factors on employment can be distinguished (Yakovets, 2003):

firstly, population growth forces to search for new areas for marriage;

secondly, depending on the density of the population, different demographic pressure on nature is observed: the use of natural resources for production and their consumption increases, the environment is polluted.

The changing demographic factor is a global problem that largely determines the state and development of society. At the beginning of the 21st century, the main demographic characteristics of the world are the decrease in birth rate and the aging of the population. This is especially evident in industrialized countries. In general, the population is aging rapidly all over the world, and this has a serious impact on health and pension authorities, as well as public spending on the social sector (Abdurahmonova, 2013).

In addition, the following factors affecting the labor market should also be cited (Stytsyuk, 2014):

- the general state of the national economy;
- salary increase;
- priority for certain professions or, on the contrary, a decrease in the prestige of any profession;
- changes in the demographic situation in the country;
- changes in the sphere of leisure activities of the population.

An important condition and tool for the formation and development of the labor market infrastructure is the formation of the labor market information system, which provides communication between its subjects (Arabov, 2017). Therefore, the information should be maximally truthful and complete enough to conduct research in the labor market, reflect the processes taking place in it, it not only describes the state of the labor market, but also serves



as a basis for forecasting the researched processes, aimed at further improving the situation in the field of the labor market. it should strengthen the changes that occur as a result of the implementation of measures (Umarova, 2019). Aggregate data make changes in economic growth seem fairly small. In developed countries economic growth rarely tops 3%,

The development of the infrastructure of the labor market depends on the effectiveness of the activities of the structures that support the employment of all the population in its system (Kholmominov et al., 2016).

Research methodology

Methods such as economic, statistical, comparative analysis, and logical thinking were used in the research. Also, from the published scientific works of local and foreign scientists on this topic and the Statistics Committee of the Republic of Uzbekistan and the Ministry of Employment and Labor Relations official statistics were used.

Analysis and results

During the pandemic, when the highest rate of unemployment was returned, measures were taken to maintain employment and reduce the unemployment rate in Uzbekistan (Yunusov, 2020). Including:

Parents (substitutes, guardians, sponsors) placed in quarantine due to being affected or suspected of being affected by the coronavirus infection, as well as persons taking care of their children under 14 years of age, are to be paid a temporary incapacity benefit in the amount of 100% of the average monthly salary ;

it is prohibited to terminate employment contracts at the initiative of the employer with employees infected with coronavirus infection or placed in quarantine, as well as parents (substitutes, guardians, sponsors) of a child under the age of 14;

it was decided to ensure timely payment of salaries of employees of pre-school, general secondary, special secondary and higher educational institutions, sports and cultural institutions (1.04 million people) that are financed from the state budget and have ceased their activities;

in addition, the amount of material assistance paid to an employee, not subject to personal income tax, was increased from 4.22 times to 7.5 times the minimum wage;

a simplified system of providing documents on temporary incapacity for work to the population was introduced;

During the period when the activities of preschool educational organizations and general education schools are suspended, parents (substitutes, guardians, sponsors) of children of preschool educational organizations and elementary school students of general education schools (including those who have worked for less than 6 months) will receive annual leave regardless of the schedule of using annual leave. presented;

it was established that employers can transfer employees, especially pregnant women, the elderly, disabled and chronically ill persons, with their consent, to a remote working method, a convenient work schedule or work from home;

During the period when medical, sanitary-epidemiological and other employees are involved in measures to combat the spread of coronavirus infection, daily additional payments of 6 percent of their monthly salary were introduced.



In the address of the President of the Republic of Uzbekistan to the Oliy Majlis, the priorities of 2021 were determined (Figure 1).

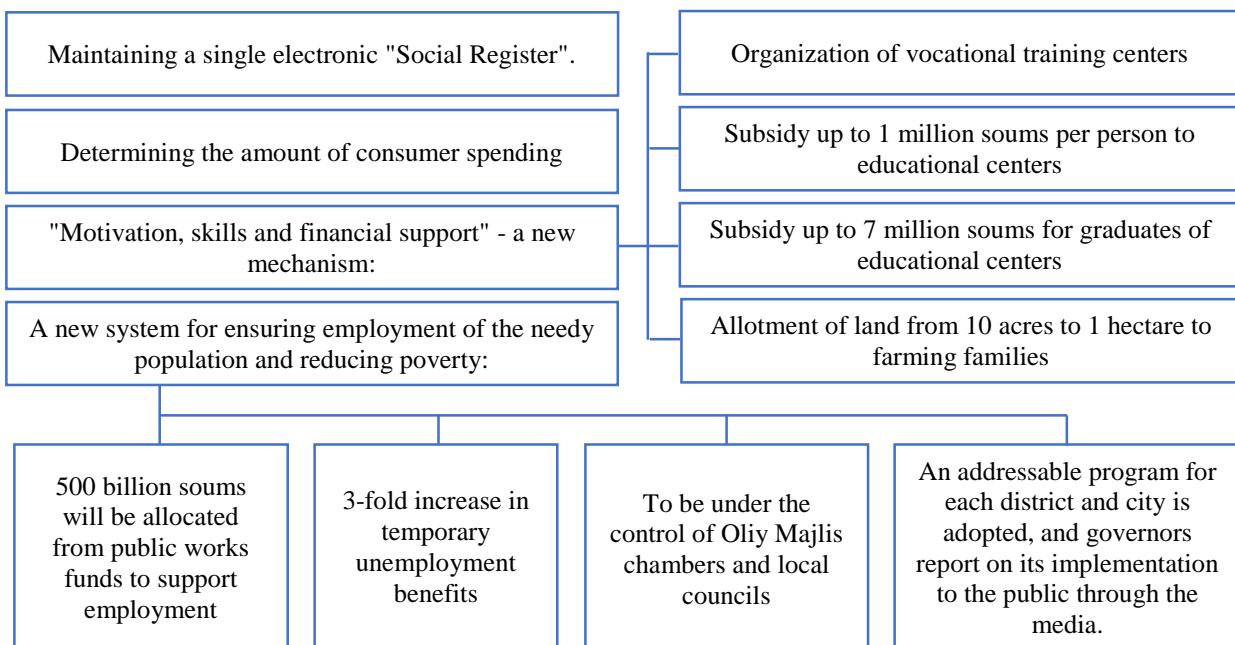


Figure 1.Comprehensive approach and non-standard methods to reduce poverty in Uzbekistan¹

According to the analysis, the number of labor resources in Uzbekistan today is about 19.2 million. consists of people. This is equal to 55.9 percent of the total population. 8.7 million of labor resources. 16-29-year-old population make up 45.3 percent of them. If the unemployment rate in the country is 10.5 percent of the total labor force, the majority of it is attributed to the youth.

In fact, the development of small business and entrepreneurship is the most important factor and resource for providing employment to young people, helping them achieve economic independence and finding their place in life. Therefore, the government pays great attention to providing employment to young people and preparing them to be competitive in the labor market. In particular, about 230,000 young entrepreneurs, farmers, and skilled craftsmen are working in our republic. The state is creating the necessary conditions for their further expansion.

Within the framework of the "Youth-our-future" program alone, over 1 trillion 630 billion soums of preferential loans were allocated to about 8 thousand business projects of representatives of the young generation, as a result of which about 40 thousand new jobs were created.

Also, in order to attract the population to entrepreneurship activities and create additional conditions for the implementation of legal labor activities, the Presidential Decree of the Republic of Uzbekistan on June 8, 2020 "On measures to simplify the regulation of entrepreneurial activities and self-employment by the state" Decision No. 4742 was adopted.

¹Presidential address: priorities of 2021. - T.: "Development Strategy", 2020. - 7-8 p.

With this decision, the list of "Types of activities (jobs, services) for self-employed persons" was approved. A total of 68 types of jobs and services were included in this list, they were given a number of conveniences and benefits, and a mobile application was developed for remote registration of their activities. In particular, 1 million for 1-year internship by previously self-employed persons. soums were paid, now only 111.5 thousand soums were paid for 2020 and 1 year of work experience was obtained.

The experience of developed countries clearly shows that entrepreneurship plays a very important role in the modernization and diversification of the national economy, in ensuring its development at a stable pace, in technical and technological re-equipment, in the development of new types of products, and is the main source of filling the domestic market with necessary goods and services. The importance of private entrepreneurship in providing employment or self-employment to the able-bodied population and increasing its income is especially important for Uzbekistan.

At this point, when talking about the experiences of European countries in the formation and development of the labor market, it is appropriate to consider the Danish labor market policy in particular.

From 1994 onwards, labor market policy in Denmark has been redesigned to include a more proactive and flexible approach to active labor market programs as well as the concept of combining the fight against unemployment with the fulfillment of other goals, through leave schemes and job rotation. Part of the success in the Danish model can be attributed to a unique combination of flexibility in the employment relationship (indicated by a high level of labor and job turnover), the economic and social security of employees (illustrated by a generous unemployment benefit system) and the new labor market policy of activation (which upgrades the skills of the unemployed and thus supports the ongoing transformation of the economy) - the elements that constitute the three corners of the Danish "golden triangle" (Madsen, 2003), (Figure 2).

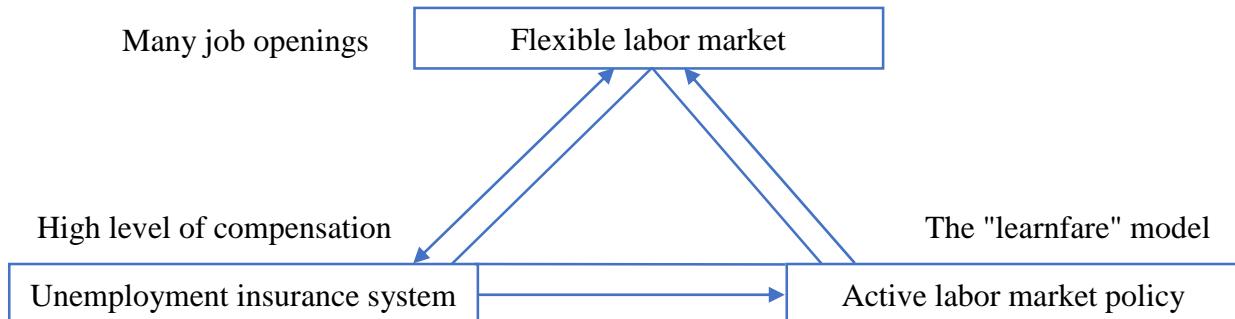


Figure 2. The Danish Golden Triangle

Of course, one of the main factors in ensuring the stability of the labor market is the active labor market policy in the country. Also, according to the experiences of developed countries, the organization of the unemployment insurance system is a good way to finance the worker during the time of unemployment due to the share during the working period. However, it will be necessary to create a flexible labor market on the basis of creating many jobs in the labor market, increasing the amount of compensation and improving the system of its payment.

Discussion of research results



Based on the research, it should be noted that a number of reforms on the formation of the labor market, increasing its flexibility and further development have been implemented in the country, and scientific research works are being carried out to study the problems in the field and solve them. But this is not enough, there are a number of problems in the field:

in the conditions of the digital economy, it is necessary to improve the system of training for new professions and improving the qualifications of employees;

solutions to the problems of improving the efficiency of one-time or temporary employment of unorganized youth, the population in need of employment and the unemployed exist only in theory, and in practice, insufficient attention is paid to it;

the system of retraining the unemployed with secondary and secondary specialized education for traditional and modern labor professions that are in high demand in the labor market in short terms is not up to the level of demand;

based on fighting with bureaucratic and financial measures instead of improving the institutional basis of reducing the informal employment of the population;

it is necessary to research the effective mechanism of state regulation of labor migration, etc.

In order to improve the situation in the labor market and reduce unemployment, and in order to eliminate the above problems, we propose a mechanism for improving the processes of ensuring the employment of the population (Figure 3).

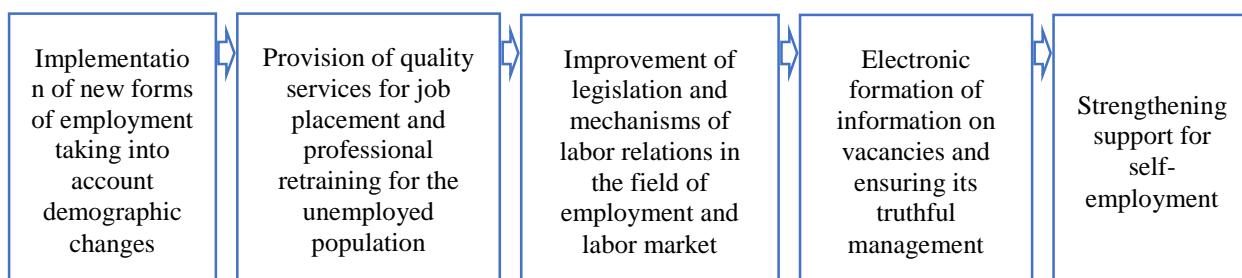


Figure 3. The mechanism of improving the employment of the population²

This mechanism aims to increase the number of new jobs based on taking into account demographic changes in the process of improving the employment of the population, to provide quality services for employment and professional retraining, to improve the mechanisms of legal documents and labor relations, to ensure the electronic formation and truthful management of information on vacancies, and to itself aimed at implementing further employment support.

Conclusions and suggestions

In forming the labor market, its further development, reducing unemployment and ensuring the stabilization of population employment, attention should be paid to the following areas:

determining the characteristics of each area based on the location of the population and ensuring the priority of the measures implemented in this direction;

²Author development.



in parallel with the demographic changes, it is necessary to create jobs, especially for the population with secondary and secondary special education;

it is necessary to focus on increasing the demand for additional jobs on the basis of improving the business environment, increasing investment attractiveness and creating more opportunities for foreign investors;

it is necessary to improve the system of retraining for traditional and modern professions that are in high demand in the labor market;

it is necessary to implement non-standard forms of employment;

it is necessary to develop practical recommendations on improving programs for providing employment to the population and creating new jobs in the conditions of the digital economy;

it is necessary to implement an effective mechanism of state regulation of labor migration;

it is necessary to develop and organize a mechanism for organizing the unemployment insurance system.

In short, through the organization and development of the labor market, it is necessary to ensure the permanent improvement of the population's employment and the well-being of its life, to eliminate the sharp differences of different strata in terms of education, culture, professional qualifications, and income, and to create decent living conditions for people. Also, the active labor market policy - the essence of the reforms in the field is primarily focused on the person, his personality and maturity, who is at the center of these changes. Therefore, it is appropriate to increase the well-being of citizens, to improve their way of life, and to consistently apply the principle of "Reform is not for the sake of reform, but first of all to ensure the interests of man" put forward by our president.

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