



## **MODERN LABOR MARKET IN UZBEKISTAN AND THE PROBLEMS OF ITS FUNCTIONING**

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### **ANNOTATION**

The article presents the state and dynamics of the labor market of the Republic of Uzbekistan. The labor market is the most important and complex segment of the aggregate market; it can be said that it constitutes the foundation on which the “building” of the economy is built, on the functioning of which its economic stability depends to a large extent. In this market, almost all socio-economic phenomena occurring in society are manifested. Consequently, the problems of the functioning of the labor market and the employment of the population are very relevant for each national economy, as it involves the issues of preserving and rational, effective use of excess labor potential. The analysis shows that Uzbekistan has a certain specificity of demographic development, which is dominated by the growth of labor potential.

**KEYWORDS:** labor market, segmentation of the labor market, labor force, employment of the population, labor resources, internal labor market, labor migration, deindustrialization

### **INTRODUCTION**

The emergence of new market economic relations in the Republic of Uzbekistan is accompanied by the introduction of these relations in the entire sphere of public life, including in the sphere of labor relations, in the sphere where the modern labor market is formed and its stable functioning is largely determined by the stability of functioning the main components of its elements are the consumer goods market, the money market, the currency market and the labor market.

There is no need to prove that, in this system of interrelated elements of the markets, each of them performs its own specific function. In the opinion of E. V. Lifanova, the labor market drives all other markets, all other resources, because here the most important national resource is formed and distributed by professions, enterprises, regions and industries. labor force.

Consequently, the labor market as if “revives” these markets and acts as a “catalyst” of their interaction in the “production-consumption” chains and is a fundamental element of the national economy. Many researchers consider the labor market as an integral part of the market economy and a powerful engine for active socio-economic progress. S. A. Kartashov gives definitions of the



labor market as a system of socio-economic relations between the state, employers and workers regarding the whole range of labor relations, purchase and sale of labor services, including training, retraining, advanced training and involvement of people in the production process.

### **RESEARCH BACKGROUND**

In general, a view was formed on the labor market as a system of socio-economic relations between the subjects of the labor market regarding the whole range of labor relations, purchase and sale of labor services, including training, retraining, advanced training and the involvement of people in the production process.

The rupture of economic relations that followed the collapse of a single state and the establishment of independence led to a significant drop in the level of production in the Republic, and the deformation of monetary and credit relations, lack of funds led to a transition to barter in mutual settlements between economic actors and many other socio-economic problems : inflation, unemployment and civil war.

Today, Uzbekistan has achieved significant success in socio-economic development, where the basis of socio-economic well-being is the positive dynamics of GDP. The volume of gross domestic product of Uzbekistan in 2018, according to preliminary data, amounted to 407.5 trillion soums (\$ 48.6 billion). This is 5.1% more than last year, according to the State Statistics Committee of the Republic. GDP per capita was 12.3 million soums (\$ 1.5 thousand). This figure increased by 3.3% compared with 2017. The gross value added created by all sectors of the economy amounted to 88.8% of the total GDP, net taxes on products - 11.2%.

But it should be noted that, despite the stable growth of GDP, some social and economic problems continue, stand up sharply, where the development of the labor market is the most important.

The state of the modern labor market in the Republic of Tajikistan is characterized by the problems of identifying the national model, which is associated with labor productivity and inability by the inefficiency of government agencies in terms of labor and labor in the domestic labor market, since one of the main factors ensuring labor productivity in the country is the demographic factor and traditionally Uzbekistan is characterized by a high level of natural population growth. Statistics show that at the end of 2018, the population of Uzbekistan was 31,496,867 people. In 2018, the population of Uzbekistan increased by approximately 463,942 people. Given that the population of Uzbekistan at the beginning of the year was estimated at 31,032,925 people, the annual increase was 1.49%. This once again confirms that Uzbekistan is a country with a high birth rate.



Simultaneously with the annual population growth, there is an increase in the proportion of the population at working age (15-63 years for men and 15-58 years for women), which in the total population is 45.3%. The value of 45.3% is relatively low. It shows that the number of able-bodied population is more than two times the size of the population of working age. Such an attitude creates a relatively low social burden for society. The coefficient of pension load is calculated as the ratio of the population above the working age to the number of the working age population. The coefficient of pension burden in Uzbekistan is 6.8%.

According to the ministry, in Uzbekistan, the unemployment rate left 9.3% among the economically active population, while 15.1% of young people were officially declared not employed. Fergana, Samarkand and Kashkadarya oblasts - 9.7% became the leaders in terms of the number of unemployed in the republic, while only 7.9% of residents could not find work in the capital of the country - Tashkent. Last year, more than 600 thousand Uzbeks appealed to special state employment agencies, 40% of their number got a job. All these data suggest that the labor market of the Republic of Uzbekistan is still not shows the ability to expand its activities. In recent years, quantitative labor market performance is deteriorating.

Since 2012, supply and demand for the labor market grew at the same time. Since 2015 there is a decrease in demand for labor. It can be noted that only a part of those who are not officially engaged in labor activity are recognized as unemployed, while the proportion of young people aged 16–29 has increased, and the need of enterprises for workers decreases. The load of the unoccupied population on one declared vacancy was 10 people, which increased by 54% over the period 2012-2018. As a result, the relationship between demand and labor supply in the domestic labor market is unbalanced. Part labor potential mainly youth and male part of the population in search of work is forced to be on the external labor market, so as in the domestic market the need for working strength in all industries for the period 2012-2018 decreased.

## **MAIN PART**

Every year, the Government creates more than 100 thousand new jobs.[7]. But research shows that various development programs are not linked to such important indicators as “number created jobs” because the development sectors of the economy, the number of jobs created in many ways lags behind the growth rate of the working-age population. As a result, hundreds thousand people are forced to leave the country in search of higher wages and better working conditions. Main stream of external labor migration from the republic sent to Russia but in recent years this trend has decreased. In our opinion, such a sharp reduction in the number of labor migrants is associated with



the implementation of measures taken Government of the Russian Federation to regulate the legality of labor migrants.

Mass return of migrant workers entails the negative effects that affect the socio-economic and political situation in the country:

1. The increase in the number of unemployed as registered and unregistered.
2. Increase social tension.
3. Increased competition in the domestic, informal labor market.
4. Declining incomes can increase the percentage of the poor, or at least one should not expect a reduction in poverty.

This action plan provides for the adoption of measures to ensure the employment of migrant workers inside and outside the country and the social protection of unemployed citizens (including migrant workers who have returned to their homeland). So far, the employment service is not able to provide a rise in employment on a significant scale, but there is no doubt that Uzbekistan is able to create new jobs on a massive scale and reduce the inculcation of landlessness to its natural level. The Ministry of Labor and Social Protection of the Population is persistently pursuing a policy aimed at improving the welfare of the people. For the formation and development of the labor market, the state will have to solve the following tasks [9]:

- support and development of small and medium enterprises in cities and villages as an effective way to increase the number of jobs and solve social problems;
- stimulating the development of “green employment”, expansion and state support of the system of ecological entrepreneurship and the market of ecological services;
- development of an educational network for obtaining professional skills, retraining and advanced training that takes into account the needs of women, youth, vulnerable groups, including the disabled;
- diversification of external labor migration, including taking into account the gender factor and strengthening state regulation of the process of returning migrants;
- development of labor-intensive sectors of the economy, whose products will be exported (agro-industrial complex, textile industry and mineral processing);
- implementation of state employment policy, coordinated with education policy;
- widespread use of telecommunications services in the exchange of data on the creation of jobs among young people and the promotion of entrepreneurship.



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