



Employment, Unemployment And Poverty Reduction

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ABSTRACT

Employment of the population is one of the key government tasks. Achieving a high level of employment is one of the main goals of macroeconomic policy in any country, and primarily in such as Uzbekistan. The ideology of universal employment of the entire able-bodied population, supported by the obligation of a person to participate in social production, is being replaced by the concept of ensuring the desired employment and free choice of the form and type of employment.

KEYWORDS

Important, development, employment, unemployment, poverty reduction, primarily, social production, enterprises.

INTRODUCTION

Among the most important problems of a global nature at the present stage of social and cultural development of the country, the

problem of overcoming the poverty of the population comes to the fore. In connection with the collapse of the world socialist system,

a major social explosion occurred with an inevitable transformational decline. The latter, of course, had an impact on the scale, structure and efficiency of labor activity of the population. The number of jobs has been significantly reduced. Employment of the population is one of the key government tasks. Achieving a high level of employment is one of the main goals of macroeconomic policy in any country, and primarily in such as Uzbekistan. The problem of providing the able-bodied population of Uzbekistan with jobs found a difficult solution back in Soviet times, when the state guaranteed work for all able-bodied residents [1]. That is why relatively labor-intensive industries developed in our country: vegetable growing and cotton growing, cotton processing and other industrial enterprises developed. However, even then these measures were not enough. Migration was significant, and citizens of the republic left en masse to work outside the republic. With the transition to a market economy, the point of view on effective employment changes significantly. The ideology of universal employment of the entire able-bodied population, supported by the obligation of a person to participate in social production, is being replaced by the concept of ensuring the desired employment and free choice of the form and type of employment. In other words, the government must guarantee every person the opportunity to work, and a person has the right to choose a place and type of labor activity and decide on participation in it [2]. The problem of employment in Uzbekistan intensified with the declaration of independence of the country and the beginning of market reforms in connection with the massive decline in production and has now become one of the pain points of the national economy. Due to the shutdown and partial work of most industrial enterprises, a significant number of people were left without means of subsistence. Moreover, the unevenness of this process led not only to a decrease in employment, but also to the

emergence of stagnant unemployment, contributing to the social degradation of the population. A distinctive feature of modern Uzbek society is the impoverishment of a significant part of the population, a low level of its economic and legal protection. The rise in prices in the consumer market of Uzbekistan has significantly reduced the real incomes of workers. The index of average real wages in 2020 compared to 2015 increased by 2.1 times, while the price index for consumer goods (CPI) increased by 4.2 times. This indicator indicates a sharp decline in the standard of living of the population. Unfortunately, this trend continues today. In December 2020 compared with December 2019 index of real wages increased by 1.4 times, while the increase in the price index for consumer goods was 1.9 times. In January 2021, the population of the republic was 34,304.8 thousand people. Of these, 14,797.9 thousand people are classified as the working population. The economically active population is 13,239.6 thousand people. In total, the national economy in January 2021 actually employed only 73.9% of the total payroll number of employed, i.e. 26.1% of the listed employed population was actually unemployed, since it was not provided with work and did not receive wages. According to official statistics, it was registered in the republic as of January 1, 2021. 1558.4 thousand unemployed, which is slightly lower than the indicators of previous years and is 10.5% of the total economically active population of the republic [13]. At the same time, in other countries, including developed market countries and countries with economies in transition, this indicator was noticeably higher. For example, this indicator in Russia was - 8.9%, Spain - 18.1, Italy - 7.5, USA - 9.6, Poland - 11.8 [14].

THE MAIN PART

Such a variety of indicators, when countries with different levels of production and life of the population, the share of unemployed is

different, is explained by a number of factors related to the structure of the economy, current economic policy and the accounting methodology used. A person is considered unemployed if he does not work anywhere and is looking for work. It is not enough just not to have a job - a person must actively try to find it. Many people are unemployed and not unemployed [3]. These include: pensioners, women raising children at home; graduates of schools and other educational institutions who could not find a job lost heart and stopped all searches; people who have received indefinite leave at the place of their main work; people undergoing a period of professional training for a new job; workers of agricultural enterprises during the off-season; refugees from other regions of the republic; persons who previously participated in hostilities and were not included in the official units of the country's armed forces, etc. In Uzbekistan, unemployed persons from areas where hostilities previously took place, with the financial support of humanitarian organizations, are engaged in public works (restoring their homes, repairing roads, cleaning channels). Employees of industrial enterprises operating for several months a year, during the period of inactivity of enterprises, are listed on indefinite unpaid leave and are not classified as unemployed [4]. It is impossible to attribute to the employed population persons, for example, workers of construction, design and other organizations, whose administration has loaded them with work, but, at the same time, did not guarantee the payment of wages. A large number of people have left their places of permanent residence to earn money, are engaged in buying and resale of various goods, processing land plots, working in various sectors of the "shadow" economy, the volume of production of which, according to official data, reaches 25% of GDP. These persons are not included in the reported number of unemployed, despite the fact that most of them have no permanent income. Therefore, the indicator of 2-4% of the

unemployed in the total number of the economically active population of Uzbekistan cannot be considered reliable. Also in other CIS countries that use a not entirely accurate method of registering the unemployed, the official unemployment rate is not real [5]. As you can see, differences in the methods of calculating the number of unemployed can lead to a significant distortion of the actual state of affairs. Therefore, if we take into account specific factors and the level of actual unemployment in developed market countries, exceeding 5% on average, in the CIS countries, including Uzbekistan, this indicator of the ratio of the unemployed working-age population to the total working-age population is actually much higher (at least 30% , according to IMF estimates in Uzbekistan).

The study of the dynamics of unemployment and growth of real production in developed countries showed that the coefficient of losses of real production from unemployment is equal to 3, that is, an increase in the unemployed by 1% will lead, all other things being equal, to a decrease in the real volume of production by 3%. At the same time, a 3% increase in production will maintain the same unemployment rate, but each subsequent increase will require an increase in employment by 0.5% (for the calculation, we used the data on the share of wages in GDP, equal to 75%). For Uzbekistan, where the share of wages in GDP does not exceed 30%, an increase in unemployment by 1% will reduce GDP by an average of 0.25-0.35%. The rise in unemployment in the republic is accompanied by a phenomenon that must be taken into account in the socially justified economic policy of the state. Only a sign of the surviving socialist mentality of people can be considered facts of this kind, when there is a market for the unemployed and at the same time there are job vacancies. In December 2020. there were 10.5 such vacancies in Uzbekistan [13].

On the whole, not only the income of the population has significantly decreased, but also other social indicators. Earlier, according to the human development index (HDI), which takes into account GDP per capita, life expectancy, literacy of the population, child mortality, safety and security of the population with work and other social indicators, Uzbekistan with its GDP per capita for 2020 equal to 1,850 US dollars, ranked 132nd. For comparison: Pakistan and Guinea, with GDP per capita equal to 540 and 650 dollars a year, were respectively at 138th and 145th places [15].

Employment policy and income policy, considered together, lead to the following choice: underemployment or transition to the ranks of the completely unemployed. The answer to this question is ambiguous and requires specific analysis. The National Development Strategy of the Republic of Uzbekistan for the period up to 2025 provided for the use of both ways - the closure of unprofitable enterprises and complete unemployment, the use of hidden unemployment and the provision of underemployment in state-owned enterprises [6]. However, in fact, until now, not a single enterprise has been declared bankrupt by the state, however, most enterprises have provided their employees with unpaid indefinite leave, which veils the fact of their dismissal. The low income level of the population was reflected in the structure of household income. This explains why, despite mass unemployment, vacancies persist in the republic: low wages do not appeal to the unemployed population, which could not find additional sources of survival with such low wages and long-term employment. This explains the low efficiency of agricultural production carried out on the basis of state and non-state property and at a low level of wages: as in Soviet times, peasants hold on to their place not to earn money from their main place of work, but to provide for their families from income from personal plots [7]. This also

explains the relatively low efficiency of the public administration system with relatively high, but extremely inadequate wages, which are not comparable to wages in the private sector. Can the adoption of a government decision to establish a sufficient minimum wage help in this matter? Decisions of this kind for the relatively well-to-do former East Germany have resulted in a 35 percent unemployment rate. The rigid arbitrary structure of wages, the policy of ensuring full employment, the existence of benefits and allowances that are practically unrelated to labor productivity, have undermined all incentives for effective work in this country. Managers accumulated in enterprises, along with other resources, equipment, surplus labor, so that open unemployment was negligible. Neither employees nor managers were interested in scientific and technological progress and the release of new products, so progress was made at a slow pace. This is due to the fact that with an increase in the cost of the labor factor, in order to ensure the profitability of production, enterprises were forced to dismiss a significant number of people [8]. Meanwhile, the neighboring Czech Republic, while maintaining a low level of the minimum wage and relatively high labor productivity, managed to contain the growth of unemployment in the country. As a direction to reduce the unemployment rate in Uzbekistan, the method of increasing state purchases of products from Uzbek enterprises can be used. This will revive the activities of existing enterprises, and the state, in turn, by agreement with other countries, could extinguish its external debt not in foreign currency, which is needed to invest in its own economy, but by supplying goods, including not only traditional export goods. ...this process is slowly starting to function, aided by relatively new government structures. However, there are many problems in their functioning, both associated with their trading methods and with the slow growth of the share of procurement by government agencies

through these specialized agencies [9]. Another way is to introduce a patent taxation system for individual entrepreneurs. By establishing low patent rates, ensuring the maximum number of persons with patenting, the state gives entrepreneurs the right to carry out any activity provided for by laws in order to obtain personal income. Thus, without a state-guaranteed job, patents go about their business, and the state may not spend some time on their employment and training. The most realistic way of employment of the unemployed population of the country was the reorganization of agricultural production and the distribution of land among the citizens of the country [11]. It should be noted, however, that in both market and non-market economies there are usually two phenomena: unemployment of people and "unemployment" of jobs, that is, along with people who do not have jobs, there are unemployed jobs. But usually, in a market economy, the number of unemployed people far exceeds the number of jobs that do not meet their needs, while in a non-market economy and even in an economy in transition, the opposite picture is more often observed [10].

CONCLUSION

Thus, in the foreseeable future, without achieving financial recovery of the economy, it is impossible to solve one of the main problems of using the labor potential of society - an active investment policy aimed at creating new and renewing existing jobs. As the experience of other countries shows, a 5-10 percent unemployment rate is typical for any market state. Lifetime employment, which is still preserved in Uzbekistan, is not guaranteed even in the most developed countries. Therefore, the population of Uzbekistan, even in the event of significant success in the economic reform, should get used to the fact that a certain proportion of the working-age population will be unemployed under any

circumstances [12]. The success of economic transformations, growth of investments, increase in labor productivity, development of entrepreneurship will lead to the formation of a large number of jobs and ensure maximum employment of the country's population, focused on reducing poverty in Uzbekistan.

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