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Priority Areas For The Development Of A Flexible Labor Market In Uzbekistan

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ABSTRACT

The article discusses the main tasks of a flexible labor market and employment of the population in the Republic of Uzbekistan. The analysis of the dynamics of the structure of labor resources, the level of participation of the population of the Republic of Uzbekistan in the labor resources by sex, the dynamics of the level of employment and unemployed in the Republic of Uzbekistan. The main conclusion of the authors is that solving the problems of increasing the flexibility of the labor market and stimulating the reduction of illegal employment, growth of employment and efficiency of labor use, including by increasing the territorial mobility of labor resources.

KEYWORDS

Flexible labor market, employment, unemployment, youth and women, gender, COVID-19.

INTRODUCTION

A number of measures have been taken in Uzbekistan to mitigate the impact of the pandemic on the country's economy, the situation on the labor market, and the standard

of living of the population. In this regard, a flexible, efficiently functioning labor market is an essential component of an innovative economy. At the same time, the modern

development of the economy is impossible without productive employment, which is a derivative of an efficiently functioning flexible labor market, which makes it possible to promptly respond to economic challenges.

As noted in the message of the President of the Republic Sh. Mirziyoyev to the Oliy Majlis: "we will focus our attention on issues of youth employment and support for entrepreneurship. To this end, next year the vocational education system will be reformed on the basis of new approaches in accordance with the requirements of the labor market and international standards."

The transition to an innovative economy (restructuring and diversification of sectors of the economy) will lead to a change in the existing structure of employment of the population, will be accompanied by a reduction in inefficient jobs, a redistribution of workers by economic sectors, an expansion of the service sector, the development of innovative activities and the emergence of new areas of employment. In these conditions, the labor market will stimulate the creation of new effective jobs, including flexible forms of employment, and increase their turnover.

In this regard, competition in the international labor market of countries - economic leaders will be of great importance in the development of the integration of our economy into the world economy. Such competition will lead both to an increase in the requirements (in the field of wages, social benefits and guarantees, safe working conditions, etc.) of workers for jobs in the Republic of Uzbekistan, and to an aggravation of the problem of reducing the total supply of labor in the labor market.

This problem will be aggravated by a reduction in the aggregate supply in the labor market due to an increase in the working-age population, which, nevertheless, in conditions of adequate growth in labor productivity during the transition to an innovative economy should not become a limiting factor in its development.

In this context, scientific research in such areas as ensuring employment, maintaining jobs, reducing the unemployment rate, achieving a balance in the labor market, taking into account the characteristics of each country and the current situation, is of great importance.

RESEARCH METHODS

The article uses methods of analysis and synthesis, correlation and regression, comparison and grouping, expert assessment, scientific abstraction and others.

RESULTS

As a result of the analysis, it was revealed that the labor market model of the Republic of Uzbekistan is characterized by a persisting gap between supply and demand, as well as an imbalance in its professional and qualification structure. Labor productivity growth rates are not high enough due to the low level of qualification of the labor force and the orientation of the economy to the creation of seasonal and unsustainable jobs in conditions of relatively high production costs, which is confirmed by the high values of the deflator in recent years. It is required to implement a set of measures to ensure an increase in average labor productivity by not only adjusting the planned parameters of personnel training based on the needs of the economy for them in the short and medium term, but also improving the quality of their training and

increasing labor mobility. In addition, it is necessary to create conditions (ensuring a decrease in the GDP deflator, tax burden), ensuring the growth of the competitiveness of the national economy.

The socio-economic development of the regions of Uzbekistan largely depends on sustainable and productive employment of the population. Uzbekistan is a country that has significant labor potential, and providing employment for the population of the regions is one of the topical issues.

At present, as in previous years, demographic factors have a significant impact on the formation of labor resources. As of January 1, 2020, the resident population of the country amounted to 33,905.8 thousand people and since the beginning of the year has increased by 650.3 thousand people, or by 2.0%. At the same time, the number of urban population is 17122.4 thousand people (50.5%), rural - 16783.4 thousand people (49.5%).

The dynamics of the population of Uzbekistan, as in previous years, is significantly influenced by changes in the level of fertility, mortality and population migration. So, for 2015-2019. the total fertility rate fluctuated between 23.5-24.3 ‰.

The population of the republic is relatively young. Persons under the working age make up 30.5% of the total population of the country. The share of the population of working age is 58.9%, and over working age - 10.6%.

It should be noted that although the working-age population is increasing, its share in the total population tends to decrease. So, in 2015-2019, the number of people of working age increased by 820.0 thousand people or by 4.3%,

their share in the population decreased from 61.2% to 58.9%. At the same time, the population over the working age is growing both absolutely and relatively.

At present, the number of labor resources is more than 19 million people, and the economically active population is 14.8 million people. The number of people employed in the economy is increasing. During the analyzed period, it increased by 482.8 thousand people. and amounted to 13.5 million people.

ANALYSIS

The sectoral structure of employment in the republic has recently been steadily changing towards an increase in the number of people employed in industry through the release of those employed from agriculture. Nevertheless, the share of those employed in the service sector is much higher than the share of those employed in industry, which explains the low labor productivity in the country. So, in 2019, the share of people employed in industry was 13.4%, in agriculture - 26.8% and in the service sector - 59.8%.

Despite the positive shifts in the labor market of the republic, there are several unresolved problems that impede the reduction of unemployment and the provision of productive employment in the labor market of Uzbekistan.

It should be noted that many jobs in the service sector are precarious and seasonal in nature (especially in catering and trade), and it is in the service sector that there is a high number of people employed in the informal sector. Today, the share of the employed population in the informal sector is 58%, compared with 2015, this indicator has decreased by 1.4 percentage

points. In terms of regions, the highest share of people employed in the informal sector of the economy is observed in Samarkand and Fergana. More than half of men who are informally employed work in one-time, seasonal and temporary jobs. If we consider the sectoral structure of informal employment,

the service sector predominates here, especially such services as construction, transportation and accommodation and food services, as well as trade.

Table 1.

Dynamics of employment of the population of Uzbekistan by sex, thousand people

	2015 y.	2019y.	Growth	Rates of growth, %
Total	13058,3	13541,1	482,8	103,7
Men	7094,0	7931,7	837,7	111,8
Women	5964,3	5609,4	-354,9	94,0

Source: Table compiled from: Women and men of Uzbekistan. 2016. p. 170; Women and men of Uzbekistan. 2020. p. 142

The analysis shows that in recent years there have been certain changes in the employment of the population of the republic, which differ from the trends of previous years. First of all, the growth rates of employment and labor resources have leveled off. For a long time in Uzbekistan, the growth rate of employment of the population lagged behind the same indicator in terms of labor resources. In the last 4-5 years, the number of labor resources and the employed has increased by an average of 3.7%.

The analysis of trends in the employment of the population in terms of gender showed that in recent years the employment of the male population has been rapidly growing, while the number of women employed in the economy has declined. Consequently, the structure of employment by gender is changing. In 2019, the share of women employed in the economy was 41.4%, against 45.6% in 2015. Accordingly,

during this period, the proportion of men increased from 54.4% to 58.6%. During the analyzed period, all additional growth in the number of employed persons fell to the share of men (Table 1). It should be noted that in the total increase in the number of employed in 2010 - 2015. the share of men was 53.2%. This situation is due to the sectoral overflow of labor, deeper transformations in the economy, and an increase in the demand for male labor. Thus, during the analyzed period, with an increase in the number of working men by 837.7 thousand people, the number of women employed in the economy decreased by 354.9 thousand people. Ultimately, there is a decline in women's employment. Thus, in 2019, working women accounted for 58.7% of the total number of women of working age against 64.2% in 2015. During this period, the employment rate for men increased from 71.1% to 76.2%.

Table 2.
Change in the employment level of the population of Uzbekistan by gender

	Working population age, thousand people		Employed in the economy, thousand people		Employment rate,%	
	2015 г.	2019 г.	2015 г.	2019г.	2015 г.	2019г
Total	19257,0	19951,6	13058,3	13541,1	71,4	71,5
Men	9285,9	9550,6	5964,3	5609,4	64,2	58,7
Women	9971,1	10401,0	7094,0	7931,7	71,1	76,2

Source: Table compiled from: Women and men of Uzbekistan. 2016. p. 170; Women and men of Uzbekistan. 2020. p. 149

It should be noted that women's employment is shaped by both socio-economic and demographic factors. The high proportion of children and adolescents, the lack of places in preschool institutions are the most important factors that determine the transition of women to the household. The employment of women is influenced by the stereotypes established in the society. A study conducted by the International Labor Organization (ILO) in Uzbekistan in 2017 shows that 80% of the population prefers that a man earns money in a family, and a woman does housework and children. At the same time, 93% of the population support the opinion that a woman

should perform most of the household duties, even if her husband is not working.

The most pressing problem in the field of employment is the provision of jobs for youth. Young people aged 16-29 make up ¼ of the country's population. For several years in Uzbekistan, the state side has been paying special attention to the employment of young people entering the labor market for the first time. About 500 thousand graduates enter the labor market of the republic annually. Currently, young people are provided with a variety of choices for training in various educational institutions, which are focused on meeting the demand for specialists in the industries of the economy.

Table 3.
Change in the number and structure of the employed population
by main sectors of the economy for 2015-2019 years, thousand people

Sectors of the economy	2015 y.	2019 y.	Growth rate, %	Growth	Share in growth%
Total employed in the economy	13058,3	13541,1	103,7	482,8	100
Agriculture, forestry, fisheries	3601,7	3 544,6	98,4	-57,1	-11,8
Industry	1768,7	1 821,5	103	52,8	10,9
Building	1222,2	1 324,6	108,4	102,4	21,2
Transportation and storage	614,7	646,1	105,1	31,4	6,5
Trade	1413,8	1 436,4	101,6	22,6	4,7
Accommodation and catering services	297,3	315,3	106,1	18	3,7
Health care and social services	601,5	616,7	102,5	15,2	3,1
Education	1105,3	1 134,4	102,6	29,1	6,0
Arts, entertainment and recreation	65	66,0	101,5	1	0,2
Financial and insurance activities	69,8	75,8	108,6	6	1,2
Information and communication	61,7	62,2	101,4	0,5	0,1
Other industries	2236,6	2 497,5	111,6	260,9	54,0

Source: Table compiled from: Labor and Employment in Uzbekistan. 2018 p. 37; Labor and employment in Uzbekistan. 2020. p. 39

The age structure of those employed in the economy of the republic is characterized by the fact that a large group of them is made up of persons aged 31-39, who account for 30.2% of the total working population.

There is a downward trend in the proportion of working adolescents, which is associated with measures aimed at preventing child labor, as well as the implementation of mechanisms for 100% coverage of adolescents in school. In 2019, the share of working adolescents was

0.5% against 0.8% in 2015. An important indicator of the state of employment is its sectoral structure. In the republic, it was determined by the existing structure of the economy, which for a long time was characterized by a one-sided orientation. The measures taken over the years of independent development to modernize and improve the structure of the economy have led to certain positive changes that have influenced, albeit insignificantly, the structure of employment.

The most noticeable trend in the structure of employment is an increase in both absolute and relative indicators of the number of workers in construction. During the analyzed period, more than 20 percent of the increase in the number of employed fell on the share of this industry. Although the number of employed in industry is growing, their share in the total number remains at the level of 13%. It should be noted that despite the measures taken by the state to release the employed population from agriculture and attract them to industry and services, their share in the total number of employed remains high - 26.2% in 2019.

Analysis of the sectoral structure by sex shows that there is a significant gender imbalance. In particular, in areas such as education and health, the majority of staff are women. At the same time, in such sectors as construction or transport, women make up only 10.4% and 14.7% of the total number of workers in the industry. In industries such as manufacturing, agriculture, trade and financial services, the proportion of women in the total workforce ranges from 40% to 55%. Career prospects for men and women in Uzbekistan are not equal. In industries where women make up the majority of employees, the proportion of women in management is negligible. In almost all sectors, the proportion of women among managers is significantly lower than the proportion of women among all employed in this sector. In this sense, the distribution of job positions in the “female” industry itself - the education sector - is quite indicative. More than 70% of teachers in schools are women. At the same time, the share of women among school principals barely reaches 36%. Thus, the statistics and analysis presented in this section show that the level of economic activity and

employment among women is significantly lower than those for men. In the last 5-6 years, the service sector has been developing at a high rate in the republic, today the share of the service sector in GDP is 47-48%. In turn, the number of people employed in the service sector is also increasing, which by 2019 amounted to 8.1 million people, or 60.4% of the total employed population. In the regional context, the highest share of those employed in the service sector is in the city of Tashkent, more than 80% of all employed work in this sector, which indicates its high development in the capital. The same high share of those employed in the service sector is observed in Kashkadarya (63.5%) and Namangan (62.5%) regions.

The analysis of the employment of the population made it possible to identify the paradise of problems, in particular:

- In some regions of the country there is a shortage of specialists, especially doctors and teachers, while doctors are lacking mainly in rural areas of Surkhandarya and Jizzakh regions;
- In such regions as Surkhandarya, Khorezm, and Kashkadarya, there is a low share of employment in industry, which requires the creation of infrastructure development for storage, transportation and marketing of agricultural products or the creation of industrial zones to provide employment for unemployed people in rural areas;
- The high level of unemployment in Surkhandarya, Samarkand and Fergana requires the creation of additional jobs in these regions;
- There is a low level of employment in the Republic of Karakalpakstan and the Jizzakh region, attention should be paid to the

creation of jobs and employment of the population in these regions.

Despite the positive developments in the field of employment, the unemployment rate in the republic remains at a high level, which in 2020 amounted to 10.1%, among women this indicator is above average - 14.7%, and among young people 17.4%.

DISCUSSION

The achievement of this goal will be carried out by solving the following tasks.

The first task is to increase the flexibility of the labor market and stimulate the reduction of illegal employment, including:

- Improving the regulatory legal framework in the field of labor and employment, stimulating the development of employment of the population, including flexible forms that do not require constant presence at the workplace;
- Ensuring a balance between the growing cost of labor (primarily in sectors with a rapidly changing structure of production of goods and services), measures of social protection of workers and maintaining the competitiveness of products;
- Decrease in the level of illegal employment;
- Increasing the efficiency of the use of labor resources in the budgetary sphere due to a closer linkage of wages with the efficiency of work and the quality of services provided, with the complexity and volume of work performed, the peculiarities of territorial labor markets, as well as by improving the quality of jobs;
- Creating conditions for extending the period of labor activity by stimulating the use of the labor potential of older workers

with higher work experience (flexible working hours, part-time employment, streamlining the system of preferential pensions, etc.);

- Expanding the practice of internships in organizations of young specialists with the aim of their subsequent employment in a permanent job;
- Stimulating the employment of women with minor children and children with disabilities;
- Creation of conditions for integration into labor activity of persons with disabilities;
- Ensuring compliance with the established norms and rules in the field of labor market regulation and labor relations, increasing the efficiency of control and supervision over their implementation;
- Development of social partnership.

The second task is to improve the quality of the workforce and develop its professional mobility on the basis of reforming the system of vocational education at all levels, developing a system of continuous vocational education, a system of vocational training and retraining of personnel, taking into account the determination of state priorities for economic development, which implies:

- Development of in-house training of employees of organizations, as well as advanced vocational training of employees to be laid off;
- Development of professional mobility based on advanced training, continuous training and retraining, which will allow employees to increase their competitiveness in the labor market, realize their labor potential in the most dynamically developing sectors of the economy in accordance with demand;

- Improving the national system of qualifications, including the qualification requirements for the level of training of specialists adequate to the demands of the labor market, developing a system of professional standards, creating a system for assessing the professional qualities of workers based on determining their competence and the ability to flexibly respond to changes in requirements for the level of their qualifications, implementing measures on the modernization of qualification characteristics, the formation of a system of recognition and assessment of the results of education and training;
- Development of a system of vocational guidance and psychological support of the population, including vocational guidance of schoolchildren, increasing their motivation to work in professions, specialties in demand on the labor market.

The third task is the development of labor market institutions, the growth of employment and the efficiency of labor use, including by increasing the territorial mobility of labor resources, including:

- Improving the quality of the provision of services in the field of promoting employment of the population based on the development of the state employment service and private employment agencies, their interaction;
- Creation of a competitive market for the provision of services to unemployed citizens and citizens experiencing difficulties in finding a job, as well as to employers in the selection of personnel;
- Reforming the system of state social support for unemployed citizens in order

to stimulate them to actively search for work;

- Using new information opportunities and ensuring the availability of information resources in the field of employment of the population;
- Creation of a mechanism for informing the population about employment opportunities in various regions of the country, primarily within the framework of large investment projects, priority national projects, regional programs;
- Development of new directions for an active policy of employment of the population;
- Provision on a voluntary basis of additional measures of protection against unemployment on insurance principles (compensation for lost earnings due to loss of work, determined in accordance with the period of paid employment and the amount of insurance contributions);
- Formation of mechanisms to stimulate state authorities of the constituent entities of the Republic of Uzbekistan to implement measures for the development of labor resources;
- Implementation of a set of measures to promote internal labor migration, including improving the system for providing state support to citizens and members of their families who move to work in another locality, including subsidizing the costs of moving and settling;
- Development of public-private partnership in the field of employment and protection from unemployment, formation of partnerships between business, local and regional authorities that will deal with the problems of social adaptation, retraining of workers released from jobs in connection

with the modernization and re-equipment of enterprises, the introduction of labor-saving technologies ;

- The use of territorial planning for the placement of infrastructure facilities in order to create conditions for attracting business to labor-surplus regions.

The fourth task is to create working conditions that allow maintaining the working capacity of the working population throughout the entire professional career, including:

- Development and implementation of measures to improve working conditions and safety, reduce the risk of death and injury at work, occupational diseases, improve occupational risk management with the participation of the parties to social partnership;
- Development of a system for assessing working conditions in terms of identifying harmful or hazardous production factors that affect human health;
- Development and implementation of measures aimed at reducing the number of jobs with harmful and hazardous working conditions, as well as creating effective jobs with safe working conditions;
- Transition from the payment of compensation for work with harmful (hazardous),
- Difficult and other special working conditions, based on the status (list) approach, to the payment of compensation for actual working conditions based on the results of certification of workplaces.

CONCLUSIONS

The labor market of the Republic of Uzbekistan is characterized by a persisting gap between supply and demand, as well as an imbalance in its professional and qualification structure. Labor productivity growth rates are not high enough due to the low level of qualifications of the labor force and the focus of the economy on the creation of short-term jobs. Based on this, the consistent improvement of the state employment policy in the direction of ensuring a balanced labor market is one of the priorities of the socio-economic development of Uzbekistan.

In the course of the analysis, it was revealed that the problem of women's employment remains an urgent problem, whose indicators tend to decrease, gender policy should be aimed primarily at creating conditions for women to have the opportunity to combine household responsibilities with participation in public production.

The state employment policy should be aimed at overcoming the imbalance, which contributes to a decrease in the unemployment rate, territorial and sectoral imbalances in the structure of employment of the population, an increase in competitiveness in the labor market of the republic, the expansion of areas of employment in rural areas, the development of small business and private entrepreneurship.

It is advisable to improve the regulatory and methodological support designed to regulate the functioning of the accounting system for the unemployed population in need of employment in the context of professional qualification groups, as well as the system for

determining the optimal number of staff, remuneration and professional development of personnel, interaction between government bodies.

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