

LABOR IN REDUCING UNEMPLOYMENT AND EMPLOYMENT OF THE
POPULATION: THE ROLE OF THE MARKET

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Abstract: This article examines the critical role of labor markets in reducing unemployment and increasing employment opportunities within a population. By analyzing market mechanisms, such as demand and supply of labor, wage flexibility, and labor mobility, the study highlights how an efficient labor market can foster economic growth and social stability. The paper also discusses the impact of government policies, education, and technological advancements on the labor market's capacity to absorb the workforce. Through a comparative analysis of different economies, the research identifies best practices and challenges in optimizing labor market functions to achieve full employment.

Keywords: Labor market, Unemployment, Employment, Workforce, Economic growth, Wage flexibility, Labor mobility, Government policy, Technological advancements, Full employment.

It should be noted that during the years of independence, a stable legal framework was created in Uzbekistan, which strengthens the priority of private property, which is the basis of the market economy. A favorable business environment and reliable legal guarantees have been created for the rapid development of small business and private entrepreneurship, which is an important factor for the formation of the middle class of owners, the stable development of the country's economy, the creation of new jobs and the increase of the population level.

Solving the problems of accelerating socio-economic growth of small and private enterprises is carried out on the basis of a fundamental revision of economic management in the conditions of economic liberalization. Accordingly, the importance of scientifically based conclusions and recommendations on solving problems arising in the course of economic activity increases.

As a result of structural reforms in the economy, entrepreneurship is related to the growth of labor productivity, deep changes in the content of work, a significant reduction in manual labor areas, and a new approach to the human factor. is important.

As a result of the introduction of the modernization process into production, the scientific and professional training of workers, as well as the requirements for their labor and social activity, will increase sharply.

In the conditions of the market economy, it is one of the main factors of increasing labor productivity and efficiency as an important direction of the organization of work on a scientific basis.

Creation of new jobs and ensuring employment of the population of our country will remain the most important priority in the development of small business and private entrepreneurship in solving the target tasks for 2024 and beyond.

The process of reforms carried out in our country led to the understanding that the wide spread of ideas explaining the development of market forms, small business and private entrepreneurship activities, which are considered a necessary component of market organization, are the main factor of changes in the market economy. It should be noted that entrepreneurship is related to the initiative "from below", and the task of the state is not to spread entrepreneurship or prevent it, but to create favorable conditions for its creation and successful operation. is to create conditions. This, in turn, implies the creation and development of legislative and regulatory frameworks necessary for the

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effective development of market relations, the promotion of business activity, as well as the formation of the market infrastructure that provides business activity¹.

It is worth noting that small business and private entrepreneurship, which has a rapidly growing population and labor resources, is of primary importance for Uzbekistan. Small business and private entrepreneurship is also very important as it is a huge area of social work organization, requiring a lot of labor capacity. Including:

- small business and private entrepreneurship new work with low capital capacity able to quickly organize their seats. That is, capital expenditure per job in small enterprises is much less than in large enterprises;
- in small business and private enterprise structures for the economically active population it is more acceptable to carry out labor activities. This creates ample opportunities for them to show initiative and realize their creative ideas;
- flexibility of employment directly in small enterprises.
Part-time work day or week, part-time work, flexible work schedule forms can be used.

Employment policy as a component of the social and economic policy of the country's development, in accordance with the transitional period of the economy focused on the effective use of labor potential and the solution of employment problems in its development It is necessary to focus on ensuring a socially appropriate level of employment in the form of redistribution.

As we know, the labor market regulation policy aims to achieve the following goals:

- achieving a balance between demand and supply of labor force;
- encouraging the unemployed to work;
- to increase the professional mobility of unemployed citizens in search of work, to provide employment to everyone who is looking for work.

As part of the country's employment policy, employment assistance is implemented in two directions, i.e. in the forms of passive and active employment policy².

Passive employment policy includes such activities as paying benefits to the unemployed through the state employment service, retraining the unemployed in professions, and organizing public works. This option of the employment policy is somewhat economical from the point of view of the state's current expenses. However, the passive policy of employment can justify itself only when there is a high flexibility of the labor market and professional mobility of the labor force during the period of economic growth, and there are some broad conditions of the economy for looking for promising independent work. In the remaining cases, the passive policy is considered to be a factor of reducing long-term unemployment and strengthening the promotion of employment of the unemployed population.

There are two different approaches to determining the amount of unemployment benefits and the terms of their payment in developed countries of the market economy. The first is to prevent a sudden drop in the standard of living of an employee who has been dismissed involuntarily. In this case, unemployment benefits are calculated taking into account previous wages. The second approach is to provide a living wage, with or without checking for other means of subsistence, for those who,

¹ Tojiyeva M. M. BIZNESNI RIVOJLANTIRISH SAMARADORLIGI HAMDA UNI BAXOLASHNING USLUBIY YONDASHUVLARI //QO 'QON UNIVERSITETI XABARNOMASI. – 2022. – T. 5. – C. 52-58.

².X.Abduraxmonov «Mehnat iqtisodiyoti». Darslik T. «Mehnat» 2020. -B.198

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for various reasons, are not working at all or who are experiencing serious difficulties in finding employment.

Insurance systems are one of the main systems for providing material assistance to the unemployed. They exist in the vast majority of countries with a market economy. The Law of the Republic of Uzbekistan "On Employment of the Population" provides for the payment of benefits at the level of the minimum wage or as a percentage of the average wage earned in subsequent years of work.

Insurance funds are established in many developed countries to provide unemployment benefits, financial or other assistance. In Uzbekistan, this is the State Fund for employment of the population of the republic. This fund is mainly formed at the expense of the contributions of enterprises and employees themselves, as well as entrepreneurs who have not established legal entities³.

The amount of unemployment benefit is determined either as a percentage of the salary or as a fixed amount. The average allowance is 50-60% of the average salary. The amount of the pension can play an important role in the search for a job, or it can play a destructive role. Practice shows that if an employee loses only a small part of his income when he becomes unemployed, he can prolong his job search, waiting for the end of the period of payment of benefits.

The analysis of the state of the labor market in the context of the shortage of labor force showed that it is necessary for the employment service to prepare citizens for specific jobs.

In the current conditions of socio-economic development related to the implementation of economic reforms in our country, the priority task is to develop and implement the goals and objectives of the population employment policy that is in line with the conditions of economic development. The employment of the population is related to ensuring the quality of modern life, creating conditions for the development of human capital, and ensuring that it moves to a higher level in relation to the division of labor. It is impossible to ensure social stability, advance further through economic reforms, and ensure a modern labor market without ensuring reasonable employment of the population. Taking into account the specific aspects of our national economy, it is important to develop targeted programs on the basis of stimulating the active directions of employment, which means that the employment policy, together with the anti-crisis program, will create a multi-level economy. Expresses that the acceleration of the process of development should be closely related to the reform of the structural changes in the economy and the general strategy⁴ of the development of labor resources⁴.

At the current stage of the socio-economic development of the Republic of Uzbekistan, the policy in the labor market is implemented on the basis of the methods and forms of state regulation and the development of new forms of economic management. The state employment service is a component of the implementation of the state policy on the labor market, and determines the main directions and tasks of its implementation. The state employment service is aimed at achieving positive social and economic results in the labor market. On the one hand, a large number of employed people will create conditions for the allocation of allocations to the State Employment Fund, on the other hand, the number of unemployment benefit recipients will decrease and

³ Гайбуллаев С., Давлатбоева С. Kichik biznes va xususiy tadbirkorlikni bandlikni ta'minlashdagi o'rnini //Новый Узбекистан: успешный международный опыт внедрения международных стандартов финансовой отчетности. – 2022. – Т. 1. – №. 5. – С. 253-256.

⁴ Sirojiddin S. et al. SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP IS A PLACE TO PROVIDE EMPLOYMENT //Journal of Academic Research and Trends in Educational Sciences. – 2022. – Т. 1. – №. 12. – С. 115-119.

conditions will be created for active directions. This, in turn, increases the quality indicators for their employment.

The state policy of providing employment to the population of our country is the labor market

It is manifested in the development and implementation of national and regional employment programs based on the conjuncture and its development prospects.

As a result of the reforms implemented in our Republic in this field

It is important to develop new forms of economic management in the implementation of effective state policy in the labor market. The emergence of new forms of economic management is carried out in accordance with the processes of economic diversification and modernization of developing industries.

During the development of the labor market regulation strategy, first of all, all processes should be subordinated to the requirements of the forward development of society and the economy, to encourage positive changes, and to ensure the priority of measures that ensure social and political stability in society⁵.

Secondly, it is necessary to pay attention to the formation of an "active society". In this way, economic opportunities are created and the activity of every citizen in building a legal-democratic society is encouraged. Also, the policy on the labor market is based on the recognition of the responsibility of each healthy member of the society for the well-being achieved by his work.

Thirdly, the "active society" and the corresponding active policy in the labor market should be combined with the principle of equal opportunities. Its main purpose is to eliminate or minimize inequality in getting and keeping a job. Such inequality can be caused by disability, family circumstances, lack of skills, etc⁶.

In the science of economics, the forms and methods of regulation of the labor market mostly refer to the regulation of its individual elements, the implementation of obvious systematic regulation is not taken into account.

Active programs in the labor market are one of the most appropriate types of employment policy in the conditions of economic reforms, modernization of sectors and industries of the modern economy, high professional, sectoral and regional mobility of the workforce, and the development of human capital.

As we know, in our country, as in other countries, active programs in the labor market include both weak types (public works programs, wage subsidies) and active types (creating new jobs, training and retraining, moving the workforce to regions with a lack of labor resources) providing subsidies for travel, etc.) includes. Within the framework of the main model of the active program in the labor market, there are measures that reduce the amount of funds needed to maintain vacant jobs and increase the spending of funds on creating new jobs. In general, active programs can be considered as measures that directly affect employment. These measures include strengthening the requirements for job search in order to increase the efficiency of the state employment service bodies, as well as to include the unemployed in the list of receiving unemployment benefits.

At the same time, active programs can be a factor influencing labor supply. It also allows groups with fewer employment opportunities to reduce their labor supply or to redistribute employment

⁵ Quvondiq o'g'li S. K. O 'ZBEKISTONDA KICHIK BIZNES VA XUSUSIY TADBIRKORLIK //INTERNATIONAL JOURNAL OF SCIENCE AND EDUCATION. – 2023. – T. 2. – №. 2. – C. 6-8.

⁶ .X.Abduraxmonov «Mehnat iqtisodiyoti». Darslik T. «Mehnat» 2020. -B.148.

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opportunities from one group to another, where decisions about the labor supply of these groups affects acceptance.

The tasks of implementing the programs for the effective development of the labor market should include the following:

- development of active activities related to the creation of new jobs;
- creation of quota jobs in order to socially support those in need of social protection;
- encouraging the entrepreneurial initiative of the unemployed;
- increasing the professional mobility (mobility) and competitiveness of the unemployed population.

Therefore, it is necessary to cover the spheres of active employment policy in the program of the state public employment service. At the regional level, this is expressed as the Regional Employment Programme.

The active policy of employment is primarily aimed at creating new jobs and preserving the existing ones, accelerating the activities of enterprises, developing small businesses, self-employment, and vocational training of the unemployed population. is manifested in the activation of works⁷.

Active employment policy measures include providing subsidies to entrepreneurs for hiring the unemployed. In the Netherlands, entrepreneurs who hire unemployed people who have not had a job for six months are exempted from paying taxes to the social insurance funds for these people for two years and are guaranteed to allocate money for the purposes of vocational training and retraining of the unemployed.

The necessary conditions for the growth of self-employment correspond to the conditions for the effective growth of a free market economy. In practice, the very existence of self-employment depends on the private sector, therefore, political and economic conditions that support the growth of the private sector also contribute to the development of self-employment.

A stable economic and legal environment is the main condition for the growth of private sector activity and self-employment. Investors of all sizes, from large corporations to self-employed individuals, need a guarantee of reasonable stability of the economic system in order to plan and implement their investment plans. The stability of the economic system is primarily determined by factors such as those who regulate access to private economic activity, ownership rights, the system of income from private economic activity, the taxation system, and compliance with the terms of contracts. Another important factor of stability is maintaining a stable macroeconomic environment. Fiscal and monetary policy should ensure economic growth and efficient allocation of resources between the public and private sectors. The state should not allow funds that could be invested in the private sector to be squeezed out.

One of the tasks of the second stage of economic reforms was to involve the population more in small and private business, to form a layer of entrepreneurs and owners in the country, and thereby to ensure the employment of the population. In order to ensure the employment of the population, the following tasks are expected to be implemented in the development of the labor market; increasing the implementation of measures aimed at increasing the demand for labor force and reducing its supply, creating a powerful and rapidly developing system in the employment service and its infrastructure, forming reasonable employment of the population, reducing unemployment to an acceptable level,

⁷ Sharipova G. S. KICHIK BIZNES VA XUSUSIY TADBIRKORLIKNING RIVOJLANISHI, UNING MAMLAKAT IJTIMOY-IQTISODIY TARAQQIYOTIGA TA'SIRI //Oriental renaissance: Innovative, educational, natural and social sciences. – 2023. – T. 3. – №. 11. – C. 823-832.

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increase the qualification, competitiveness, social protection and export of local employees who are not employed with, create effective organizational, economic and legal mechanisms for regulating employment and unemployment in the labor market, etc.

During the development of the employment service over the years, laws, requirements and socio-economic conditions are changing, accordingly, detailed and specific adjustments are made to the changes in the areas of activity. However, the formation and development of the organizational structure of the state employment service remains almost unchanged for many years. The modern organizational structure of the state employment service at the regional level requires the creation of a number of new departments for employment assistance⁸.

The socio-economic and demographic conditions arising in the labor market in Uzbekistan and their changes have a significant impact on the activity of organizational structures in the field of employment assistance.

The rapid growth of the labor force makes the problem of providing employment a crossroad. There are vacancies in the State Employment Service. In some periods, the level of unsatisfied labor force demand increases by 1.3-1.5 times the number of officially unemployed. This is mainly due to the fact that the supply and demand for labor force does not match the quality indicators.

In the following years, the number of vacant places will decrease by 6 times, but the problem of coordination of demand and supply from the point of view of quality remains, taking into account the increase in the flow of qualified workers to employment assistance centers, this problem may increase. According to the calculations of the Ministry of Labor and Social Protection of the Republic of Uzbekistan, the real level of unemployment in Uzbekistan is 3.8-5% of the economically active population. In world practice, the maximum level of unemployment is 10%.

At present, the efficiency of the state employment service is evaluated with a limited range of indicators. As a rule, it is not about those who are employed, but about the unemployed population. The criterion for evaluating the state of employment provision is the change in the level of unemployment, if it decreases, the activity of the employment service is effective, if it increases, it is considered ineffective. In assessing the effectiveness of the state employment service, the main indicators were the change in the unemployment rate and the duration of unemployment.

It is necessary to create functional structures that include different levels of activities of employment service bodies and ensure the implementation of defined, related issues. The creation of these functional structures is the organizational basis for effective state policy in the labor market. Also, the interaction of the activities of functional structures based on the purpose of the specified issues strengthens the relationship between them and ensures that the duplication of functions is reduced to a minimum⁹.

Thus, organizational systems that include the interrelationship of several organizational blocks according to their specific characteristics should consist of the following:

- development of employment opportunities, employment program and the organizational system for employment assistance;
- conducting statistical research, analyzing the labor market and an organizational system for conducting perspective and sociological surveys;

⁸ Pirnazarovna U. Y., Mahmudovna Q. Z. AHOLI TURMUSH DARAJASINI OSHIRISHDA KICHIK TADBIRKORLIKNING O 'RNI //PEDAGOGS. – 2024. – T. 56. – №. 1. – C. 59-69.

⁹ Berdiyev J. Q. MINTAQADA KICHIK BIZNES VA XUSUSIY TADBIRKORLIKNI RIVOJLANTIRISH IMKONIYATLARI //Евразийский журнал академических исследований. – 2022. – Т. 2. – №. 11. – С. 832-835.

- development of employment service, personnel management, employment organizational system for financing employment assistance;
- with specialized work (employing administrative and management staff placement issues, migrants, disabled people, rural residents, public works, temporary employment).

The above-mentioned structure, on the one hand - in terms of the uniformity of the performance of functions, and on the other - in terms of the type of communication, creates different levels of communication.

The hierarchical (tiered) structure of employment service bodies at the regional level consists of the Regional General Directorate of Labor and Social Protection of the Population and its local labor departments.

Regional employment service bodies should not be organized as organizational structures in the form of departments specialized in separate areas. Because the existence of departments specializing in separate functional areas reduces the efficiency of exchange of experience and information between them.

Therefore, it is necessary for the employment service bodies to consist of separate blocks connecting several directions.

In order to ensure effective relations between the regional employment service and its local labor departments and to increase the efficiency of the work of specialists of labor departments, it is necessary to restructure the work activities of local labor departments¹⁰.

The work of the individual functional parts of the district employment assistance centers with the unemployed is carried out individually and in specific unemployment. At the first stage of work with the unemployed, after the person who applied to the employment assistance centers is registered as unemployed, the employment inspector searches for a suitable place of work. This activity of the inspector is 1-1.5 months. At the next stage, the reasons for the client's unemployment (if he is not working) are determined. In this case, an unemployed citizen can be directed to a profession or sent to re-education. This process can take from 1 week to 1 month. The next period of unemployment may take 1.5 to 2 months. So, the period of the client being registered as unemployed fluctuates within the limit of 5 months on average.

In order to reduce the duration of unemployment of citizens registered as unemployed in district labor departments, it should consist of separate blocks uniting several specialists.

In district labor departments, it is necessary to organize structures in the form of groups or sections, which include several specialists in different areas of work. For example:

- 1) employment officer (or employees), they are unemployed. they can engage in such activities as conducting a preliminary examination of documents, collecting comprehensive information on vacancies (salary, nature of work);
- 2) organizing meetings of the unemployed with employers and work employee responsible for work with providers;
- 3) a consultant employee on career guidance and retraining expert.

¹⁰ Yuldashev B. YIRIK VA KICHIK BIZNES HAMKORLIK FAOLIYATINING SAMARADORLIKINI BAHOLASH //Journal of Universal Science Research. – 2023. – T. 1. – №. 10. – C. 213-217.

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The functional responsibility of such groups includes collecting information about the demand for labor force, providing advice to entrepreneurs on the issues of labor organization, selecting employees for enterprises, etc.

As a result of the work carried out in order to ensure the employment of the population in the labor market, the work carried out by the employment assistance centers made it possible to provide work to workers through their professions or through retraining, depending on the demand and supply of the labor force. On the basis of the above analysis, employment assistance organizations (centers) operating in the regions have been created opportunities to employ young people, graduates of basic vocational schools, colleges, and higher education institutions through job fairs.

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