LABOR MARKET AND EMPLOYMENT IN UZBEKISTAN

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Abstract: The aim of this article is to discuss how to increase employment in different regions. Conclusions drawn are that town halls play key role in regional employment. They should analyze and estimate formed social and demographic situation in the region clarify the share of the employed and unemployed body-able population, the reasons of the formed situation, elaborate and realize the measures on providing rational employment. A special attention should be paid to the existing disproportion between the rates of the new working places growth and the population increase creating definite difficulties for the youth entering the labor market, restraining the latter's migration to the capital, other regions and abroad in searching a job. It is obvious that one shouldn't fail to take into account the measures connected with the motivation and stimulation of labor and enhancement of the social protection of the population as a whole.

Labor market as the other types of goods and services market as well is the compound part of the market economy. Moreover, labor market occupies the central place in this economy, as labor is a decisive factor in the production and life of the society. Only with the labor market initiation the market economy properly starts forming and successfully functioning. That is, it is becoming precisely marketing only with the formation and development of the labor market which in its turn depends on the existence and degree of other markets maturity, mostly determining the movement of labor force and its transfer among the spheres of employment.

The modern economic science defines labor market as a special subsystem of the market economy where there interact employers (the owners of production assets) on the one hand and wage earners on the other hand [1]. There exists a definition according to which labor economy is the organic constituent of the market economy carrying out the functions of the mechanism of distribution and redistribution of the social labor among the spheres and branches of economy, types and forms of the activity, on the criterion of the effectiveness of labor and production in accordance with the structure of social needs and forms of property [2]. Demand and supply, conjuncture, cost and price of labor force, competition, reserves of labor force are the basic elements of this mechanism.

Speaking simply, labor market is the sphere of the formation of demand and supply for labor force. Via such kind of market there realizes the sale of labor force for a certain period of time. However, labor market is possible only under the condition that an employee (worker) is the owner of his ability to labor.

The main subjects of the labor market are:

1. owners of production assets and the agencies representing their interests (associations entrepreneurs);
2. wage earners and the organizations reflecting their interests (trade unions, councils of employers and others);

3. the state (in the form of different bodies and structures) as the intermediary between employers and wage earners.

In the result of interrelations of the above mentioned subjects there forms the volume, structure and correlation of demand and supply for labor forces. Besides, the state as the regulator concerning employment relations problems, intermediary between employers and wage earners, the chief organizer of functioning market relations in this sphere, to which the most important role is given.

As the world experience testifies, via the labor market there pass three powerful interrelated streams: developments of economy, the development of man himself professionally as well as morally, and the development of social relations – the ownership of production links, state structures. These streams form not only the basis of progress in the society but also its main content.

In the society having entered the XXI century, labor market must be not of a spontaneous but of a regulated character. It must be the effective tool of the optimization of the streams of distribution and redistribution of manpower in economy, the lever of regulating industrial incomes, subject to a profession and qualification. There always should be competition as the basic motive power of improving workers' (employees') abilities for labor. The market can be acknowledged mature if it, alongside with the creation of the competitive environment in the sphere of employment, liquidates or promotes liquidating the economically non-effective productions and working places, stimulates the shifts in economy, dynamically renews the technical base of the production and accelerates the improvement of labor conditions and its payment.

It should be emphasized that both forming and functioning the labor market cannot be the end in itself. Labor market confirms or turns down employment or its contradiction - unemployment, underemployment, and temporal joblessness and so on. Therefore probably, the majority of problems of the labor market development are considered, first of all, through the lenses of employment or unemployment which are the main attributes of the above-mentioned market. The higher the level of the able-bodied population's effective employment is, the less economic and social strain there is in the society, the better the parameters of the nation's welfare and the country's security seem to be better and on the contrary.

As the experience of many foreign countries including rather developed ones, shows that the growth of unemployment almost always causes not only economic but also social and political tension. That's why different governments of these countries alternating each other determine first of all their positions towards labor market: how much they have managed to reduce unemployment, to create new working places, to increase the effectiveness of the labor forces utility. For example, the prosperity of the USA modern economy is based alongside with other factors on the point that for the last 8 years there have been created 24 million working places [3], though one doesn't have to consider the unemployment problem solved yet.

In the conditions of Uzbekistan the unemployment problem is not of that sharp as the one characteristic for the USA and the majority of European countries where the level of unemployment makes 15-20% and sometimes it is higher. The problems of employment and labor resources utility as a whole have always been and are nowadays in the center of the Republican authority's attention. In accordance with the character of problems being solved in the country there have been created necessary bodies, developed and carried out different programs on the creation of new working places, in towns and regions there have been reserved performing services on labor, employment and social protection of the population. In other words, there functions an efficient institution on the formation and realization of the single social policy and provision of the employment of the body-able population, especially the youth from the rural place.

It is important that in the Republic the legislative and normative base connected with the labor activity has received a proper development, different funds have been created, and there exist the centers of employment procurement, fares and others. The economic reforms in aggregate with the social policy being realized promote not only creating the macro-economic stability in the country but also preserving high rates of the natural increase of the population. For the last two years the number of the population of the Republic has grown from 26, 6 to 28, 0 million people, i.e. by 5, 2%. Simultaneously with this fact there grows the number of the employed in economy the data of which can testify in Table 1.

TABLE 1. BRANCH STRUCTURE OF THE DISTRIBUTION OF THE EMPLOYED POPULATION IN UZBEKISTAN

Indicators	2008		2009		2009 in % to 2008
	thousand people	specific weight, %	thousand people	specific weight, %	
Employed - in total Including	11035, 4	100, 0	11328, 1	100, 0	102, 7
- in industry	1486, 7	13, 5	1513, 1	13, 4	101, 8
- in agriculture and forestry	3036, 6	27, 5	3029, 7	26, 7	99, 8
- in construction	944, 3	8, 6	1008, 6	8, 9	106, 8
- in transport and communication	550, 0	5, 0	579, 5	5, 1	105, 4
- in trade, catering, provision, marketing, feedstock	1136, 2	10, 3	1185, 8	10, 5	104, 4
- in housing and communal services and non-production types of general services of the population	362, 7	3, 3	381, 9	3, 4	105, 3
- in public health, physical training and sport, social security	840, 9	7, 6	865, 9	7, 6	103, 0
- in education, culture, science and scientific service	1533, 0	13, 9	1572, 8	13, 9	102, 6
- in finance, crediting and insuring	60, 9	0, 5	63, 5	0, 6	104, 3
- in other branches	1084, 1	9, 8	1127, 3	9, 9	104, 0

Source: Journal "Economy of Uzbekistan" (2010)

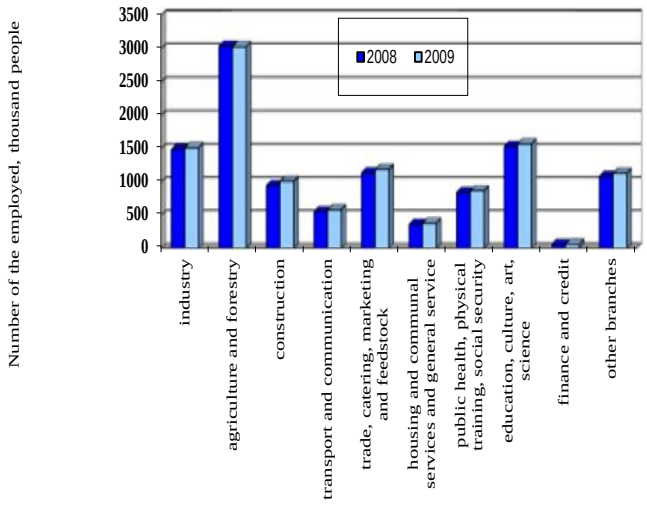
For the period of 2009 the number of the population engaged in economy increased by 292,7 thousand people or 2, 7% in comparison with 2008. Besides, the number of those engaged in industry grew by 26, 4 thousand people, i.e. 9% of the general increment of employment in economy was provided at the expense of this branch.

According to the analysis the changes in the number and structure of the employment are mainly connected with the last year creation of 940, 5 thousand working places that is by 0, 9% more than those forecast parameters stipulated by territorial programs of employment. The main part of new working places is created in non-state sector of economy: 41, 7% out of the total number of new working places has been created at the expense of the development of small business and individual entrepreneurship.

Employment grows at the expense of the organization of working places in the sphere of home labor as well[1]. As a whole in the Republic in this sphere there has been created 196, 7 thousand working places or 20, 9% out of the total number of new created working places. Alongside with this fact, more than 29, 9% makes the share of working places organized as the result of the realization of crisis management and other additional measures.

We can imagine the branch structure of the employment in economy in the form of the following diagram.

CHART 1. BRANCH STRUCTURE OF THE EMPLOYMENT IN ECONOMY



Source: Data from statistical data bank, ofg, 2009

According to the analysis in the majority of countries, particularly in weakly developed ones, the provision with the population employment and the struggle with the unemployment – are not the single problems to be solved. Alongside with this problem there exist others connected with the liquidation of poverty, hunger, diseases, illiteracy covering the enormous zones of the globe. Fortunately, these negatives don't take place in the life of our Republic. However, Uzbekistan is known to be the country not only with the high natural growth of the population but also the compound part of the world area where according to existing forecasts the number of the population may increase to 8-14 billion people

[1] The realization of the order of the President of the Republic of Uzbekistan of № 3706 "Of the measures on stimulating the expansion of cooperation between huge industrial enterprises and production of services on the base of the development of outwork" from January 5, 2006

next century, besides more than 90% of the growth will be for the poorest countries.[4] It is possible that the demographic situation may not change or not reach the exact copy of recorded forecast, but the society must be already ready for these changes. The growth of the number of the population in the world as well as in a separately taken country will cause in this case the appropriate increase of needs in resources for the development of the housing construction, medical service, provision with energy and food. It can't be achieved without the development of production, and consequently, without people's labor occupation.

We suppose that all this requires the government's elaboration of the special policy of employment as the compound part of the state's economic policy. The employment of population is not so much a local as a macro-economic category that unites important social and economic indicators of the society's state. Here the labor market takes only specific position in the system of markets and doesn't solve by itself or can't solve effectively and in a full volume the problem of employment.

It can't be solved either by the forces or efforts of only employers who according to observations and analyses are more attracted by the search of investments, maximization of profits than by the conduct of the modern personnel policy, employment assistance, monitoring for employees career growth and so on.

It seems to us that here the participation of the state itself is required as the chief reformatory of all transformations. As the world experience testifies the state and business co-exist supplementing each other; there occurs the constant search of the optimal ratio of forces of the state and business. It is not occasional that the modern management of economy is based on the concept of the state's active participation in it. The state is not only the state-regulator establishing the "rules of the game" on the market and realizing the mechanism of the regulation, but also the state-owner in the market economy, its most important subject.

In the economy of different countries the state's interference into the management movable the processes of enhancing the state regulation alter into deregulation depending on the degree of the state's interference. Therefore the regulation of employment on the macro-economic level must be directed to supporting the balance of economic and social priorities on the labor market. It is important to remember about the fact that the high level of unemployment is not only the indicator of the ill-being on the labor market but also a powerful "negative charge" for the economy as a whole.

Alongside with this fact, employment is not an end in itself and moreover, it is not caprice. It can't be supplied automatically or only on the basis of the desire to work. For the employment besides the state encouragement, there should be ability, creation, qualification, professionalism and other human values. Only on their basis any individual – a worker, an engineer, and a scientist can grow in demand by the economic practice and enter the number of the people engaged in the economy. Therefore in the given case it runs not about the supply of the blanket and unconditional employment or the absence of

unemployment which takes place in the conditions of the former planning economy, achieved mainly by administrated methods but about the employment of labor resources capable to bring favor to itself, its family and the society as a whole.

What is being done in this direction is still little, nonsufficient and non-systematic. The general national program of employment down and across economy is necessary, alike the things which have been done in the sphere of personnel training. In this program as the first step the slant should be taken on the employment in the sphere of services and servicing the potential and possibility of which are not used fully yet, particularly in the rural area where the considerable part of the country's population resides. According to existing data the share of services being rendered to the rural population despite the growth makes today only 26, 8 % while in the world GDP it has reached 68 % [5].

The problem of employment must regard the existing reserves and possibilities of other branches and spheres of economy. It's the most important that local bodies of the authority must take an active part in its elaboration and realization, in the first place khokimiats (mayor's offices) that speaking figuratively are the "father" and "mother" of any region's economy. They should analyze and estimate formed social and demographic situation in the region clarify the share of the employed and unemployed body-able population, the reasons of the formed situation, elaborate and realize the measures on providing rational employment. A special attention should be paid to the existing disproportion between the rates of the new working places growth and the population increase creating definite difficulties for the youth entering the labor market, restraining the latter's migration to the capital, other regions and abroad in searching a job. It is obvious that one shouldn't fail to take into account the measures connected with the motivation and stimulation of labor and enhancement of the social protection of the population as a whole.

For the year of independence the country has achieved much success in the democratic construction, forming heterogeneous economy and the class of owners, creating a civilized market including the labor market. This market, the main participants of which are human resources, shouldn't stall. And human resources are known to be the basic national fortune. They are precisely those which allow supplying an economic growth, people's welfare and the country's security.

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