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THE METHODS AND TOOLS OF STATE REGULATION OF THE LABOR MARKET

Ilyos Arzikulovich Usmanov
Researcher, Samarkand State University
usmanov_i.a@mail.ru

ABSTRACT

The article studies the content of the state regulation of the labor market, its functions, factors affecting the level of employment of the population, organizational economic and administrative methods of regulation, as well as the main directions of the implementation of public policy in the labor market.

Keywords: labor market, regulation, unemployment, employment, demand and supply to the labor force, jobs, organizational and economic impact, economic activity, employment rate.

INTRODUCTION

Economic liberalization, which represents a new stage of market reforms, involves the further development of a system of means and methods of state influence on the economy, in particular, on the processes of development of the labor market. It is necessary to complete the formation of a new employment structure, create new job places, and modern approaches to solving one of the important social problems of reforms – unemployment.

Problems of unemployment and employment of the population and the efficient use of human resources have always been the focus of attention of scientists, economists, they all come down to one thing - they reflect the need, possibility and degree of government participation in the regulation of labor processes in the labor market. In this sense, throughout the historical development of civilization, the cyclical views of scientists are traced: from the complete rejection of state intervention in the employment management process to its planned by the government [7].

Without theoretical, methodologically, and methodologically justified regulatory tools, market entities are deprived of effective and efficient levers aimed at ensuring the balanced functioning of the labor market and eliminating its “failures”. In these conditions, the study of problems associated with the development of relations of a specific regulatory impact on the processes of the labor market, with the improvement of measures and instruments of regulation, is important. Based on its movement towards a socially-oriented market economy possible and a transition from spontaneous vital activity of the market to targeted regulation carried out in the interests of the whole society and each of its members.

LITERATURE REVIEW

The socio-economic essence of the labor market, its components, main functions, demand and supply for the labor force, the segments of the labor market, the regulation of the labor market, the models of the labor market, the main directions of the state policy in the field of employment, its goals and objectives, the measures to be taken by the state are studied by J.M.Keys [6], Marshall A. [8], Pigu A. [9], Chijova L., Sergeeva G., Kulagina N. [12] and Abdurakhmonov K.H. [1].

The labor market, development of its infrastructure, the state regulation of the labor market, employment of special population groups in the labor market, and methods of determining criteria affecting employment are discovered by Arabov N.U. [2], Gubanov S. [3], Lvova D.S. [4], Kolosovsky V.V. [7], Kiyan L.P. [5], Marsinkevich V., Soboleva I. [11], Bulanov V.S., Volgin N.A. [10].

RESEARCH METHODOLOGY

The research is based on a dialectical and systematic approach to the study of economic systems and proportions for the regulation of the labor market, comparative analysis, a statistical and dynamic approach and grouping methods were used, as well as the need to use organizational, economic, and administrative methods for regulation of the labor market.

ANALYSIS AND RESULTS

The content of the mechanism for regulation of the labor market is the way its subjects (mainly the state, trade unions, or employers) influence the imbalance in the supply and demand of labor services. This impact is carried out through forms, methods, and tools aimed at coordinating the interests of labor exchange partners. In this capacity, the regulatory mechanism is the relationship and relationship between the subjects of labor market regulation regarding employment and unemployment. These relationships ensure the achievement of market equality. The method of influence in this mechanism is formed by organizational and economic relations of the labor market, which are based on the division of labor, cooperation, combination, and integration. The forms of these relations are planning, organizing, and stimulating the activities of labor market participants in the processes that ensure the conclusion of labor transactions.

Labor market regulation expresses the relations between the subjects of its regulation, which form a system with an asymmetric impact on the objects of this market. Thus, when trade unions dominate the regulatory processes, their main impact is on labor contracts, and when employers ' regulation prevails – it affects the quantitative and qualitative characteristics of demand, and so on.

The essence of the mechanism for regulating the labor market is manifested in the process of regulating this market.

Thus, appearing in economic and administrative forms, the mechanism of labor market regulation provides planning, organization, and stimulation of the activities of its subjects in the regulatory processes (Fig. 1).

Thus, the ratio of elements of the regulatory mechanism expresses the predominance of forms and methods. The regulation of the labor market is not identical to its management. Labor market regulation is one of the functions of the management system [4]. The goals of the system are implemented through management. In the most general form, labor market management is the transfer of the labor market system to its new state by affecting its functional elements or subsystems. Labor market regulation is involved in this process as the main management function.

To reveal the content of management, it is necessary to highlight its main property, which most fully reflects its nature and the nature of labor market management. In our opinion, this property is an integrative property of management-its efficiency. It is the integrative quality of efficiency that makes management system-forming. Since regulation is a control function, it also has this property. Labor market regulation can be effective or ineffective.

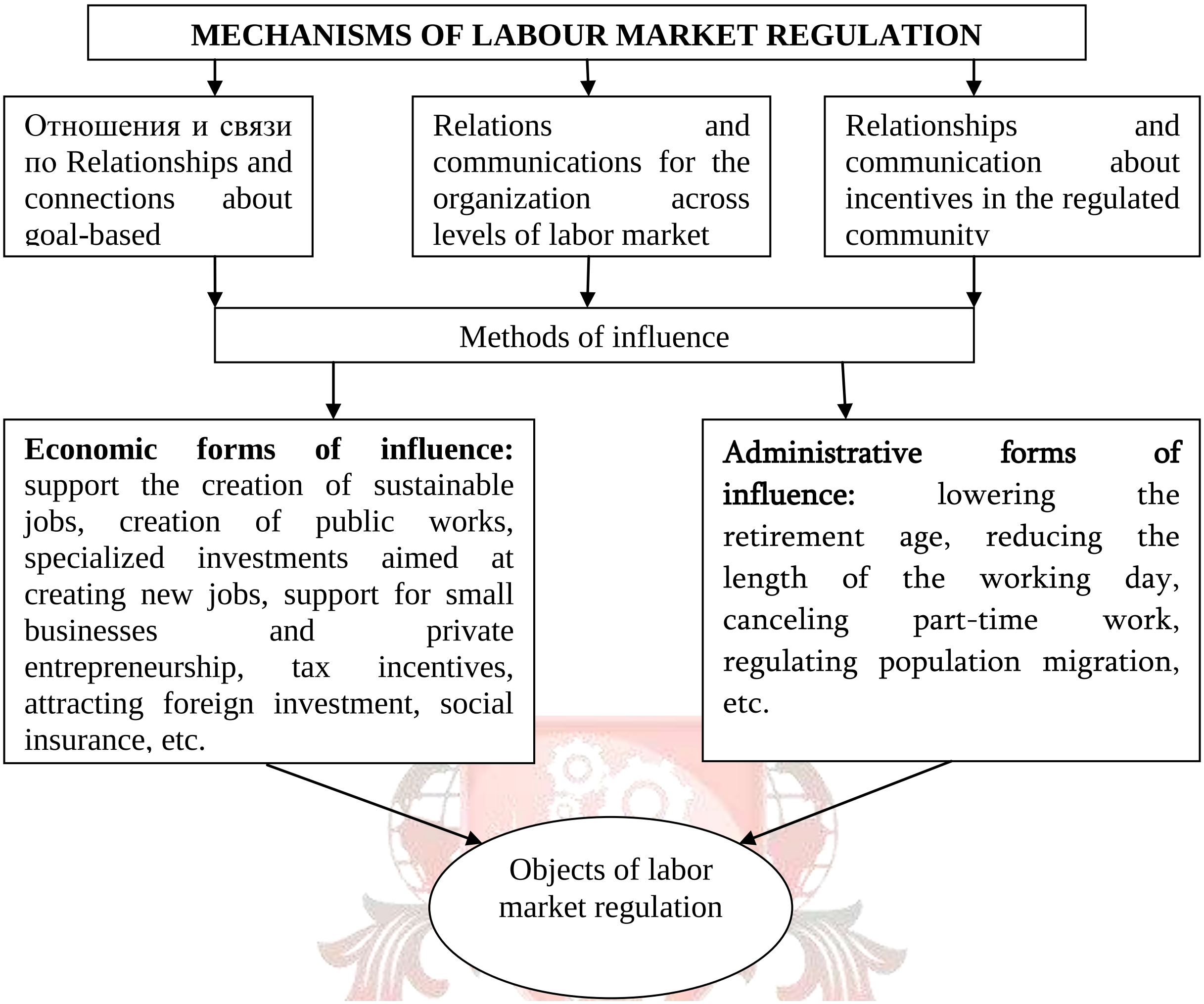

Fig. 1. Economic and administrative forms of influence on the labor market

Since management can only be performed in systems, regulation as one of its functions can also not exist outside the system. If the labor market were not a system, there would be no management and regulation of it. Important properties of the labour market administration are the focus, the presence of feedback, information, and resource security.

The system approach to labor market regulation that we have justified allows us to classify the economic system under study according to a structure-forming criterion.

Thus, the mechanism for regulating the labor market, as a system, performs various functions. The literature usually defines only the functions of the labor market [10] or the functions of the mechanism for regulating the economy [3] as a whole. The functions of labor market regulation are not identified. We have identified the following functions of the labor market regulation mechanism:

1. Controlling.
2. Social.
3. Organizational function.
4. Redistributive
5. Stimulating function.
6. Information.

7. Price-forming (performed only by the government).

Specific measures of state regulation of the labor market should be developed taking into account the stage of socio-economic development of the national economy (table 1).

Table 1

State regulation of the labor market taking into account the stages of economic development of the country

Stages of economic development	State strategy on labor market management
Crisis	Based on a survival model, with active actions to influence the Demand for labor and increase the investment attractiveness of the region, support for jobs and active measures to create jobs in "new" industries. The main tasks are to support social stability, the standard of living of the population, preserve the country's labor potential, and contain the unemployment rate. Main methods: active measures in the labor market with the use of flexible forms of employment and hiring, while respecting the rights of entrepreneurs to freely manage the labor force (hiring and firing) to increase production efficiency.
Depression	Focus on maintaining a balanced labor market, namely, the supply and demand of labor. The main focus is on labor market research, forecasting the development of labor demand, and planning the development of professional and other structures of labor supply, the development and implementation of strengthening measures in the labor market.
Revival rise	Focus on maintaining a productive employment model in the labor market, regulating the supply and demand of labor, its prices, taking into account the prospects for socio-economic development of the region.

Thus, the state's policy on the labor market should be related to the problems of using and improving labor efficiency. This should also be the focus of structural shifts in employment: industrial – due to an increase in the share of advanced technologies, vocational-qualification – due to an increase in the share of skilled labor, demographic – due to an increase in the share of young people.

Trade unions have more opportunities to operate at the regional level than at other levels. They can impose restrictions on the dismissal of certain groups of employees, or in some enterprises, they can take part in the organization of public works.

Employers have a more visible influence on demand dynamics, more widely implement informational methods of regulation such as, for example, holding job fairs, providing information to the state employment service and commercial employment intermediaries, and so on. In the domestic labor market, the main subject of regulation is employers, they will determine the terms and content of contracts with employees, and trade unions perform a controlling function here. They monitor the fulfillment of employers' obligations and compliance with labor laws. At the internal level of regulation, the state determines only the legal framework for contractual relations and punishes non-compliance with legal norms.

CONCLUSION/RECOMMENDATIONS

The analysis reveals that the mechanism of regulation of the national and regional labor market has a lot in common: similar areas and tasks of regulation, methods, and measures. The regulation of the internal labor market has its specific features, and the world level of regulation from the position of a separate country can not be considered as a mechanism, since all economically open countries participate in it. One country cannot regulate the world economy. The state's policy in regulating the international and domestic labor markets depends on the mechanism for regulating national and regional labor markets. When regulating the regional labor market, the General directions for all regions should be specified, taking into account the specifics of their development.

Determining priority areas for regulation of regional labor markets is based on taking into account the relationship of indicators that characterize their state with several socio-economic indicators that reflect the structural transformations of the regional economy and the living conditions of the population.

Priority areas for regulation of the labor market are: creating and maintaining jobs; organizing public works, vocational training and retraining of unemployed citizens; restructuring employment; ensuring effective use allocated budgets in implementing employment promotion programs; coordinating the actions of the labour market entities; and developing the non-productive sector.

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