

ANALYSIS OF THE CAUSES OF UNEMPLOYMENT IN MODERN UZBEKISTAN AND THE NEGATIVE CONSEQUENCES OF WAU

Ahunova Ogulkhan Ergashovna

Senior Lecturer, Department of Economics and Service, Fergana State University
akhunova111967@mail.ru

ANNOTATION

This article describes the research on the laws of change in the labor market today, based on the study of the nature and specifics of unemployment, formed today in the world and in certain periods of development. Also in the study is our country economic and statistical analysis of the causes of unemployment in the regions and the factors influencing their negative consequences.

Keywords: *unemployment, unemployment rate, causes, consequences, employment, labor relations, economically inactive population, labor resources.*

INTRODUCTION

Every country's economy is experiencing phenomena such as economic cycles, which are periodic and chaotic in nature - fluctuations of economic activity consisting of ups and downs. At all stages of the economic cycle (rise, peak, recession, depression) there is such a thing as unemployment, which represents a socio-economic phenomenon, which is manifested in the inability of a certain segment of the working population to find work. The International Labor Organization determines that the unemployed have a desire to find a job but are unable to do so.

The problem of unemployment in the country is very urgent and needs to be studied in depth and comprehensively. The main indicator of the structural state of the country's economy is the unemployment rate. He noted that thousands of citizens in the country are forced to leave their homeland because they cannot find work.

MATERIAL AND METHODS

Well-known economists have conducted research on unemployment:

- A. Smith, T. Malthus, D. Ricardo - studied unemployment on the basis of classical political economy. They believed that unemployment was caused by a very high average wage: because of its level, employers were not interested in hiring employees, and when the amount of money paid for work was reduced, employees refused to perform their duties [7].

- K. Marx, F. Engels - studied unemployment on the basis of Marxism. In Capital, Marx paid great attention to the study of unemployment from 1818 to 1883. He found that with technological progress, the number of production facilities and their costs per employee were constantly increasing, which convinced Marx that the demand for labor would decrease due to the accumulation of capital by the exploiters, which would be possible due to economic development.

In his philosophical and economic manuscripts of 1844, Marx distinguished four types of alienation from the process of labor, the results of labor, the individual, his nature, and others. It is labor that separates man from merely becoming an "animal" character, that is, a means of satisfying only material needs. As a result, the person becomes alienated from his human nature. K. Marx emphasizes that a person not only creates a material product in the process of labor activity, but also produces his own social relations, because with the help of alienated labor man not only forms an enemy and alien attitude to the production process, but also creates his

own social relations. Its results, but also other people's production process and their attitude to its results, i.e., their attitude towards other people [9].

Proponents of the neoclassical concept, including prominent economists such as R. Hall and J. Perry. Unemployment is seen as a voluntary phenomenon, which results from the excessive demands of the labor force on wages. They believe that the movement of the labor market is based on a conditional equilibrium, so the main regulator of the market is the price, which is expressed in the form of wages. [10].

J.M. Keynes was the founder of Keynesian theory in the 1930s (1883-1946). In *The General Theory of Employment, Interest, and Money* in 1936, the reasons for the rise and rise of unemployment were interpreted radically differently than before.

The founder and leader of the monetarist movement is M. Friedman, E. Phelps. Monetarist theory is similar to Keynesian theory in that it is based on the idea that the natural and transparent regulation of the labor market is impossible, that the minimum wage is defined by law, and that there are strong labor unions called unions. It is also due to the availability of certain vacancies and the inability to obtain information on the number of applicants [10].

The purpose of the study is to study the theoretical approaches to the study of the consequences of unemployment on the basis of analysis and identified problems, to form a set of measures to reform the employment sector.

The research hypothesis is that the labor market lacks qualified personnel in some professions, while in others there is a surplus. As a result, there is a decrease in the number of economically active population in the labor market.

RESULTS

With the development of market relations in the economy of Uzbekistan, structural changes have taken place, which have had a significant impact on labor and employment. The Uzbek market has undergone profound changes, a completely new picture of social and labor relations has emerged.

"The ultimate goal of all reforms in Uzbekistan is to ensure human well-being and a decent standard of living," he said. This, in turn, will create all the conditions for the effective employment of the population by the state, including a favorable business environment for entrepreneurs, investment, tax policy, transparency, fairness of the judicial system. depending on factors. "Because 90 percent of the jobs created in our country are in the private sector, and the development of the economy depends on the development of small and medium-sized businesses."

A new version of the Law on Employment was adopted in 2020 and became a law with direct effect. It reflects the basic principles of the state in the field of employment and is based on modern labor law. In particular, new tools for regulating the labor market, in particular, to stimulate entrepreneurship, self-employment, vocational training of the unemployed, training, record of length of service, payment of unemployment benefits, employment agencies, citizens engaged in temporary employment outside the country, and other important issues.

The Labor Code has also been revised based on the experience of advanced countries and is expected to be adopted in 2021 after various discussions. It deals with modern methods of regulating labor relations, social partnership between the employer and the employee, individual labor relations and other issues. The Ministry of Employment and Labor Relations is moving from passive measures (payment of unemployment benefits) to

active employment policies (especially youth, women, people with disabilities) and providing employment to the unemployed through vocational training, entrepreneurship, microcredits and subsidies. has set out to promote employment.

For the first time in our country, the problems of informal employment and the shadow economy have been openly discussed, and the state has taken extensive measures to reduce its scale. Informal employment is present even in the most developed countries, and it performs not only negative but also some important social and economic functions.

First, it reduces unemployment (a real social protection tool for the helpless) by providing employment and, consequently, income to those who cannot find employment in the formal sector of the economy, prevents poverty, and spends their income in the formal sector to increase domestic demand and GDP will cause swelling.

Second, informality is often a step towards the formal sector as a way to start a business.

Decree of the President of the Republic of Uzbekistan dated October 30, 2020 No PF-6098 "On organizational measures to reduce the shadow economy and increase the efficiency of tax authorities", June 8, 2020 "On business and No. PQ-4742 "On measures to simplify state regulation of self-employment" and August 11, 2020 "On the involvement of poor and unemployed citizens in entrepreneurship, increasing their labor activity and vocational training." Resolutions No. PQ-4804 "On additional measures aimed at vocational training and employment" aimed at reducing the level of the shadow economy and informal employment.

We always thought unemployment was so bad. None of us want to be in the place of someone who is forced to look for a job. But there is another aspect of this problem that is very difficult to ignore, and that is the impact of the unemployment factor on the labor productivity of those who are employed today. First of all, it should be noted that when the negative effects of unemployment on the socio-economic situation in the country are obvious, it is impossible to consider it only unilaterally. The nature of unemployment, depending on the causes of its occurrence, can have its pros and cons. Admittedly, the positive effects and aspects of unemployment are less clear because people perceive it only as a negative state of the economy. However, unemployment can have a positive effect, but only if the unemployment rate is moderate (2-5%). For example: unemployment is a free labor reserve that can be used in the economy. Or the opposite example: in the context of full employment, the problem of replacing new jobs arises and economic growth slows.

The downsides of unemployment are well known. By the way, its optimal level is 2-5% of the total able-bodied population. At this level of unemployment, its negative aspects are not yet visible, so it is possible to take advantage of the positive aspects of unemployment. As soon as the unemployment rate exceeds the 5% threshold, when it exceeds this threshold, the negative aspects of unemployment begin to become more pronounced. From a psychological point of view, the average level of unemployment increases labor discipline because people have negative motivations in the form of the risk of losing their job. The average unemployment rate forces employees to come to work on time and in the right way, work efficiently and provide quality products, jobs and services. Moderate unemployment helps boost entrepreneurial activity as it cools the motivation of employees who push for excessive wages. It has long served to stabilize the socio-political situation in the country. Average unemployment is also related to inflation. The higher the unemployment rate, the lower the inflation rate. But at the same time, high unemployment can lead to socio-political coups, social cataclysms, political instability in society.

The higher the unemployment rate, the more it contributes to the criminalization of society.

An increase in the unemployment rate reduces the economic potential of society, which leads to the following negative consequences: a decline in GDP; decline in consumer demand; cutting savings; slowdown of the investment process; supply reduction; decline in production; loss of skills of the laid-off workforce; a steady decline in labor productivity. The economically active population of Uzbekistan is 14.8 million, of which 13.2 million (89.5%) are employed and 1.55 million are unemployed. That is, the unemployment rate rose to 10.5 percent, according to preliminary data from the State Statistics Committee.

During the reporting period in Uzbekistan in 2020, the number of people leaving the country to work abroad increased by 8 times, the unemployment rate by 42 times, and the economically active population by 62%. The ratio of the economically active population to total labor resources was 71.6% in 2001 and 77.3% in 2020 (Table 1).

Table 1

Unemployment dynamics in the Republic of Uzbekistan, (thousand people)

Indicators	2001	2005	2010	2015	2020	2020 compared to 2001, % (+/-)
Unemployed	37,5	320,2	658,2	709,4	1558,4	42 times
Unemployment rate, %	0,4	3,1	5,7	5,2	10,5	10,1
Economically inactive population	3643,9	4229,2	4424,9	4508,4	4344,4	+19,2
Those who went abroad to work	230,7	266,1	289,2	2284,7	1838,2	8 times
Labor resources	12817,4	14453,2	16509,7	18276,1	19142,3	+49,3

Experts and analysts study many factors in the study of unemployment in the country, including the availability of labor resources, the potential of the labor market in Uzbekistan, the demand for specialists in certain fields, the state of industry, agriculture, the banking sector, internal and external migration takes into account the level.

Great attention is paid to the labor market, which has its own characteristics. Its main features:

Young people make up almost 50 percent of the total working-age population in the country. This shows that Uzbekistan has great prospects for the formation and development of employment.

There is an uneven distribution of labor resources. In some parts of the country there are serious problems with employment.

It is the disproportion of important factors such as the quality and quantity of the labor force, the moral and religious structure of the population, the motivation of people to work in industrial or agricultural enterprises.

DISCUSSION

The most dangerous factor in the growth of unemployment and the mass release of people from production is the disruption of inter-farm relations and, consequently, the reduction of production in large and very large enterprises of the first division.

The rupture of horizontal economic ties is generally accompanied by a breach of contractual obligations in all sectors of the economy, a reduction in the number of jobs employed.

A specific type of unemployment occurs among highly qualified individuals who are professionally unfit for use at the lower economic levels of the manufacturing and non-manufacturing sectors.

Uzbeks who are officially unemployed receive unemployment benefits. Despite a clear procedure for registering citizens who have lost their jobs or are unable to find work, Uzbekistan still has a high level of hidden unemployment. To find out the rules for obtaining the status of "unemployed", you can visit the website of the Ministry of Justice.

Hidden causes of unemployment

According to scientists and analysts, Uzbekistan has the lowest unemployment rate in the CIS. It is difficult to provide a complete picture of the unemployment rate in the Republic, as the population does not want to be officially registered with employment services.

CONCLUSION

The results of the study show that the problem of unemployment is one of the main problems of the modern economy, without which it is impossible to establish effective economic activity.

Unemployment causes great damage to people's vital interests, for every unemployed person it leads to psychological stress, decline in morale, increased crime, family breakdown, loss of self-esteem, increased social tension in society, which in turn leads to which in turn undermines the physical and mental health of society.

Therefore, promoting high employment is one of the priorities of our state's macroeconomic policy.

To keep unemployment low, the state needs to pursue a skilled policy that will help increase employment in the country. It should be noted that unemployment is one of the important events that characterize the level of economic development of the country.

The following government measures should be taken to address this economic problem, which has a negative impact on the security of the population:

1. Improving the mechanism of monitoring the labor market and employment.
2. Creation of a modern mechanism for accounting for the number of unemployed.
3. Improving the legal framework in the field of employment.
4. Ensuring labor productivity.
5. The main direction of labor market policy should be to stimulate and develop the structure of small and medium business.
6. Implementation of the state program to encourage enterprises in the recruitment of graduates of higher educational institutions of the republic.
7. Improve employment policies, including anti-crisis job creation programs.
8. Improving the legislation on employment in the Republic of Uzbekistan.
9. Removal of age restrictions in employment, this applies to both the older generation and the younger generation, as well as women with young children.
10. Creating conditions for the expansion of employment of people with disabilities.

ACKNOWLEDGEMENT

Factors explaining the problems in the official registration of all the unemployed are:

Businesses often send employees on unpaid leave.

Reduction of working hours.

Retention of wages.

Low unemployment benefits.

Lack of attractive vacancies in labor exchanges.

The growth of the illegal employment sector.

Tensions in the labor market due to the large number of young people.

Lack of skilled workers needed for the country's economy.

The number of vacancies for women is limited.

The labor market does not take into account changes in rural areas. This is where the largest increase in the labor force not involved in traditional sectors of agriculture is observed. Young people in rural areas do not have the skills they need in the city.

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