

## IMPROVING THE MECHANISM FOR ENSURING THE EMPLOYMENT OF LABOR RESOURCES

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### ABSTRACT

The relevance of the research topic is related to the existing problems of the development of the youth labor market in Uzbekistan and is justified by two important circumstances. Firstly, the share of young people in the working-age population of Uzbekistan at the beginning of 2022 is almost 40% (according to official data, the share of young people aged 15-29 is almost a quarter of the entire population of Uzbekistan), and secondly, youth is a driver of social -economic and political development of the state.

**Keywords.** Employment population, employment, labor productivity, labor reserve, recruiting, personnel management.

### Introduction

The world practice of organizing the employment of labor resources is increasingly facing obstacles in ensuring the effective organization of employment of labor resources, in particular youth. Worldwide, there are about 1.3 billion young people between the ages of 15 and 24. Their entry into the labor market has a long-term impact on their lives, as well as on the socio-economic development of their countries. The demographic growth of the world's population is the cause of many socio-economic problems, one of which is unemployment. There are currently some 497 million young people in the world, or approximately 41% of the world's young population, in the mainstream labor force. Of the total workforce, 429 million people are formally employed. In this regard, at present, in most countries, the regulation of the youth labor market, the purpose of which is to reduce unemployment and increase access to education and decent working conditions, is identified as a key task of public policy.

The world's leading research institutes, as the most important scientific directions for improving the mechanism for regulating the youth labor market, propose to improve existing and develop innovative methods and methodological approaches to determining the conditions for achieving a balance in the labor market and the main aspects of employment programs, the transition from the policy of ensuring youth employment for the account of state subsidies for the creation of new jobs to a policy aimed at developing the intellectual and production potential of workers and increasing motivation to work.

There are a number of unresolved problems in the modern youth market of Uzbekistan, including: the inability of the existing mechanisms of the labor market to fully and effectively ensure the use of young labor resources, the imbalance of supply and demand in terms of quantitative and qualitative characteristics, low competitiveness of youth labor due to insufficient professional training. All this confirms the need for further reform and search for optimal ways to resolve the problems of youth employment and determines the relevance and significance of the dissertation research.

In addition, on the basis of the Decree of the President of the Republic of Uzbekistan dated October 20, 2018 No. 841 "On measures to implement national goals and objectives in the field of sustainable development until 2030" to ensure effective employment of the population, especially youth with disabilities, through the implementation of measures to protect private property, supporting large and small businesses and private property, removing obstacles to accelerated development, a strategic plan has been developed to improve the employment structure in the Republic of Uzbekistan.

This dissertation research, to a certain extent, serves to fulfill the tasks defined in Decree No. 877 of October 28, 2017 "On approval of the Regulations on the procedure for the formation of a state order for the creation of jobs and training, taking into account the current and future needs of the labor market", Decree No. 799 of 5 October 2017 "On the organization of the Public Works Fund under the Ministry of Employment and Labor Relations of the Republic of Uzbekistan", Resolution No. 841 of October 20, 2018 "On measures to implement national goals and objectives in the field of sustainable development until 2030" and other regulatory legal acts related to this area.

### **Methods**

The dissertation uses general scientific methods and techniques, including analysis and synthesis, normative approach, systemic and comparative analysis, specific methods for studying the situation, statistical and econometric, in particular, correlation-regression and variational analysis, economic and mathematical modeling.

### **Results**

In the Development Strategy of New Uzbekistan for 2022-2026. special attention is also paid to the issues of providing youth employment, for which it is planned to introduce a system of state assistance in acquiring a profession by graduates of general education schools. Improving the state youth policy is defined as a separate goal of the Strategy (goal No. 70), in accordance with which the provision of affordable and high-quality education for young people, as well as the creation of conditions for employment and employment of young people, are selected as priority areas for the state.

The adoption in January 2022 of the Decree of the President of the Republic of Uzbekistan "On measures to radically improve the system of work with youth in mahallas" can rightfully be called a new milestone in the development of modern domestic youth. The resolution is aimed at introducing new mechanisms for managing work with youth, creating a vertical system of working with youth, solving youth problems directly in mahallas, as well as increasing the level of employment and providing youth with decent working and living conditions.

In June 2022, the Decree of the Cabinet of Ministers of the Republic of Uzbekistan "On approval of the program for the implementation of the state youth policy in the Republic of Uzbekistan for 2022-2023" was adopted, which plans to carry out activities aimed at providing social assistance, assistance in employment, increasing the level of professional education of young people and involving young people in business.

Thus, the key issue of improving the mechanism for the formation of an effective youth labor market does not cease to be, which will provide Uzbekistan with sustainable economic growth and the transition to innovative development. For this, in our opinion, it is important that economic entities

themselves be interested in hiring young personnel, switching from a passive strategy to a development strategy. It is necessary to make changes to the existing mechanism for granting benefits and preferences to enterprises, defining the priority of attracting young professionals, which will be supported by the provision of state financial assistance. In addition, regular analytical examination of the factors influencing the labor market and the processes of external and internal labor migration is of great importance. The formation of an effective state policy in the field of youth employment will ultimately improve the efficiency of the national economy as a whole.

### Analyses

The equation reflects the quantitative impact of each factor on the performance indicator, while others remain unchanged, that is, the share of employed youth in the economically active population: with an increase in per capita GDP by 1%, it grows by 1.31%; with an increase in the rate of development of investments in fixed capital per capita by 1%, it grows by 0.03%; with an increase in the proportion of young people with higher education, by 1%, it grows by 2.82%; with an increase in the share of young people who went abroad by 1%, it decreases by 0.21%.

To make a prediction based on the obtained model, we tested for the presence (absence) of autocorrelation and heteroscedasticity of the model residuals. The Breusch-Godfrey test with a probability of 82.8% confirms the absence of autocorrelation. The Breusch-Pagan-Godfrey test showed that with a probability of 45% it is possible to accept the null hypothesis of the absence of heteroscedasticity. And, finally, the Glaser test with a 67% probability allows us to conclude that it is necessary to accept the null hypothesis that the model is homoscedastic.

**Table 1 Youth labor market projections Uzbekistan in 2022-2026, %**

Years	Share of employed youth in the economically active population (y)	Growth rate of GDP per capita (x1)	Capital investment absorption rate per capita (x2)	Proportion of youth with higher education (x6)	Share of young people who went abroad among all those who left, (x7)
2022	31,055	101,929	121,404	8,373	21,285
2023	31,094	101,581	122,925	8,414	19,712
2024	31,133	101,233	124,447	8,455	18,138
2025	31,173	100,885	125,969	8,495	16,565
2026	31,212	100,536	127,491	8,536	14,991

Forecast indicators indicate that the proportion of employed youth in Uzbekistan will increase from year to year, which characterizes the positive dynamics of the prospects for the youth labor market of the republic.

The innovative scenario for the development of the labor market of the republic assumes an increase in economic growth rates up to 100.5% and the development of investments in fixed assets up to 127.5% by 2026, and, as our calculations showed (Fig. 8), in this case, the share of the employed young people as part of the economically active population will take on the maximum value, which will serve as an impetus for the development of the labor market in an innovative economy.

An increase in the number of young people with higher education by 20% and a decrease in the proportion of young people who have gone abroad to 15% in 2026 against 30.7% in 2020, reflected in the optimistic scenario, entails the need for the government of the country to take drastic measures to create new jobs, since it can lead to a new wave of unemployment in the youth labor market and aggravate all the negative processes that accompany it.

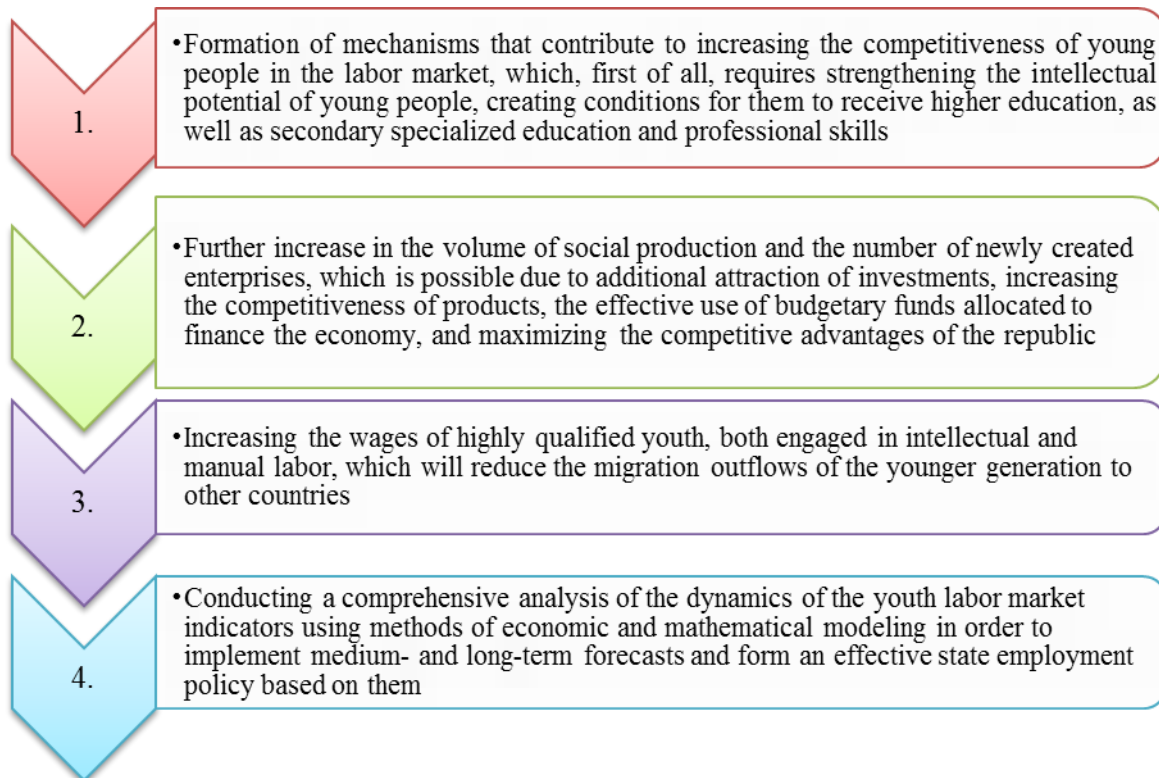


Fig. 1 Directions for improving the efficiency of the youth labor market in accordance with the constructed econometric model

Based on the results obtained using the predictive panel data model, it was revealed that with a probability of 83%, the share of employed youth in the economically active population by 2026 will barely reach 31.2%, an increase from only 0.2% from current indicators, which may aggravate the socio-economic lag of the republic from developed countries. This, in turn, requires the implementation of strategic measures to mitigate factors that negatively affect the labor market. The goals of forming an effective youth labor market on the territory of the state are called upon to serve the state policy, one of the important directions of which should be the effective management of youth employment. The constructed econometric model showed that this requires the implementation of a number of measures (Fig. 1).

Thus, the key issue of improving the mechanism for the formation of an effective youth labor market does not cease to be, which will provide Uzbekistan with sustainable economic growth and the transition to innovative development. For this, in our opinion, it is important that economic entities themselves be interested in hiring young personnel, switching from a passive strategy to a development strategy. It is necessary to make changes to the existing mechanism for granting benefits

and preferences to enterprises, defining the priority of attracting young professionals, which will be supported by the provision of state financial assistance. In addition, regular analytical examination of the factors influencing the labor market and the processes of external and internal labor migration is of great importance. The formation of an effective state policy in the field of youth employment will ultimately improve the efficiency of the national economy as a whole.

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## **Discussion**

Based on the results of the dissertation research, the following conclusions were made:

1. Systematization of the scientific and theoretical foundations and methodology for studying the youth labor market has shown that the labor market is a significant segment of the market economy. An important sector in the labor market is the youth labor market, the use of intellectual potential and ensuring the fullest possible employment of young people is invaluable for the economic growth of the state. This segment of the market has its own characteristics and specifics, which determines many problems associated with the employment of young people. This is, first of all, a low level of qualification or education among young people, lack or insufficiency of work experience, high ambitions of young people in the early stages of entering the market, etc. The solution to these problems can be strengthening professional orientation, monitoring the dynamics of the labor market, taking into account its dynamics, promotion of youth entrepreneurship, improvement of state mechanisms for regulating employment.
2. Determining the features of the mechanism for the development of the youth labor market led to the conclusion that in all countries of the world youth employment is not considered separately from the general problems of the labor market. For a more detailed analysis of labor market indicators, it is advisable to assess the quality of employment and life of young people.
3. An analysis of the indicators and factors affecting the unemployment rate of youth in Uzbekistan showed that a big problem in the youth labor market of Uzbekistan is the fact that there is no

monitoring of the required number of representatives of certain professions, monitoring the employment of young people after graduating from a particular educational institution, as the rule is formal. In addition, the study showed that in recent years, the birth rate in Uzbekistan has slightly increased, the dependency ratio has also been on an upward trend, which may lead to a reduction in the “demographic dividend”.

4. An analysis of the indicators of the last ten years in dynamics showed that in Uzbekistan there was an increase in the level of unemployment with a simultaneous increase in wages. This fact may indicate the ill-conceivedness or inefficiency of the ongoing macroeconomic policy in the field of employment, as well as the problems associated with mass labor emigration of the country's population. In addition, the analysis showed that there is a differentiation in the localization of labor in the regions of Uzbekistan.

5. The forecast for the development of the labor market in Uzbekistan based on modeling the dynamics of youth employment, aimed at identifying the dependence of youth employment on intellectual, industrial and investment potentials, showed that in the period from 2010 to 2020. in Uzbekistan, a close positive relationship has been established between the share of employed youth among all employed and the number of young people with higher education and qualifications, as well as the economic growth of the republic and an increase in investment in fixed assets. The application of the scientific results of the developed model made it possible to coordinate the dynamics and structure of youth employment in the direction of its growth, which is one of the important principles of the long-term sustainable development of the state.

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