



https://emjms.academicjournal.io/index.php/ Volume:4

# Foreign Experience of State Regulation of Employment and their Application to the Economy of Uzbekistan

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**Abstract**: In developed countries, the ways of state regulation of employment, the adoption of the Copenhagen Declaration, the state's regulation of employment, the reduction of unemployment, the stages of development of employment are scientifically and theoretically developed.

**Keywords:** employment, employment service, ILO, Eastern Europe, employment regulation, Western Europe, labor market, unemployment.

Improving employment policy should take into account the conditions of the labor market in each country. It is not enough to simply classify the labor market: open or closed, formal or informal, some occupational groups, the labor market, and so on. According to the experts of the International Labor Organization, the following information is important in the development and implementation of a set of measures to pursue an active policy in this or that labor market:

- 1. sex and age structure of the employed, the unemployed, the unemployed;
- 2. average age of the labor force and its impact on the level of skills of workers;
- 3. the share of family income in wages, state benefits, income from self-employment, rent, real estate;
- 4. the level of urbanization and the level of formal and informal employment in cities, the level of employment in agriculture and non-agricultural sectors;
- 5. Classification of enterprises according to their size and form of ownership;
- 6. openness of the economy to international competition, including the share of trade in national income and the importance of foreign investment;
- 7. development and efficiency of labor institutions, including employers 'and workers' organizations;
- 8. Scope, coverage and level of labor legislation, implementation of this legislation, social protection of workers and social insurance.

The Copenhagen Declaration, adopted by the International Labor Organization at the 1995 World Summit on High-Level Social Development, stated that full employment should be a priority of economic and social policy.

In accordance with the decisions of the World Meeting, a working group on employment and sustainable livelihoods was established. At the initiative of the International Labor Organization, which was tasked with coordinating the activities of the working group, a

Comprehensive Report was prepared in 1999, which reflected the main trends in the labor markets of Central and Eastern Europe and the CIS. The document states that in order to achieve sustainable and full employment, economic policy should focus on:

- regular monitoring and management of employment in sectors of the economy;
- institutional (structural) monitoring and appropriate labor market measures;
- > Comprehensive incentives for human capital development and reproduction;
- ➤ Implement targeted programs to reduce poverty and provide assistance to vulnerable groups.

The report also notes that current employment policy should include a comprehensive approach to addressing existing problems. This policy can be implemented with short-term, medium-term and long-term goals.

In particular, the short-term employment policy includes direct regulation of unemployment, assistance in providing employment to the able-bodied population, and prevention of unemployment.

The medium-term goal is to stimulate labor demand by addressing various imbalances in economic development. At the same time, an active policy in the field of employment in various sectors of the economy should include creating a favorable environment for entrepreneurship through fair competition, increasing the creation of productive jobs by stimulating investment processes, improving the quality of the workforce.

The long-term goal of employment is to engage in the full, effective, and freely selective activities mentioned above, which means that there are jobs to choose from in different sectors of the economy.

The state chooses different methods and means of influencing the labor market, depending on the goals and objectives of employment regulation (Table 1).

They can be classified according to the areas of state employment regulation:

Siyosat policies that directly affect employment (eg legislation);

policies that indirectly affect employment (fiscal, social, monetary policy; government regulation of income, prices or through foreign economic regulation).

The formation of sectoral and regional employment structures plays an important role in the indirect methods of government. In particular, financial incentives and public capital formation can create a favorable environment for certain industries or regions. In some cases, employment support may be directed to a region or business entity whose economic growth has slowed down, and in other cases to the development of industries or industries that lead to positive shifts within the region or industry. This will stimulate employment in these regions and industries.

Criteria	The work with employment regulation hit methods			
1. To the order hit functions	1.Labor service Demand and his offer eng acceptable ratio			
	2. Unemployment level reduce			
	3. Labor resources effective use			
	4.Labor service unsatisfied demand to lose			
2. To the order hit directions	1.Labor to the market directly effect show method			
	2. Indirectly effect show method			

**Table 1. Methods of regulating employment** 

3. To the order hit scales	1. International labor market	
	2.National labor market	
	3. Territorial labor market	
4. To the order hit fields	1.Ish with employment	
	2. Unemployment	
	3.Labor fee pay	
	4.Labor service Demand and his offer ratio	
	5. Labor of the market flexibility	
5. To the order hit subjects	1.Ish suppliers	
	2.Kasaba associations	
	3. State institutes	
6. To the order hit sources	1. Taxes of employers or employees	
	2. State budget	
	3. Various social funds	
7. To the order hit degree	1. Legislation methods	
	2. Stimulus methods	
	3. Limiting methods	
	4.Control seeker methods	
	5. Organizational-institutional methods	
8. To the order hit	1. Psychological methods	
properties	2. Social methods	
	3. Financial methods	
	4. Price list formed provocative methods	

Source: Abdurahmanov QX, Zokirova NQ Labor economics and sociology. Study guide. - T.: «Science and technology», 2013. - 536 p.

We understand the main means of regulating employment as the regulation of the minimum wage, fiscal regulation, government revenue and expenditure, and the regulation of citizens' income, government programs, and so on.

There is a great deal of experience abroad in regulating employment and unemployment. For example, French economists point out that there are different stages in the transformation of employment in their countries, and that appropriate tools for regulating the labor market have been put in place, depending on the nature of these stages. At a time when the country's economy was booming after World War II, there was a need to make up for the shortage of labor by attracting rural people to businesses. To encourage this process, the government has enacted unemployment insurance through legislation and improved mechanisms for generalizing and disseminating information on the labor market. In addition, organizational structures directly involved in regulating the functioning of the labor market - the National Employment Fund and the Association for Vocational Training of Adults - were established.

The theory and practice of French economics divide this period into three stages. In the first, the government took direct regulatory measures to ensure employment. In the second stage, unemployment was recognized as a mandatory phenomenon and was limited to strict accounting of the economically active population and measures to regulate unemployment financially and organizationally. In the third stage, after realizing that the measures taken by the government in the previous two stages were limited, it began to implement socioeconomic programs aimed at stabilizing the situation in the labor market.

In France, among a number of foreign countries, the reduction of working hours has also been used to increase employment. The transition from a 40-hour workweek to a 39-hour workweek has led to 300,000 job losses.

Sweden's employment and unemployment policies are also of interest. The results of this policy can be seen in the relatively high and stable rates of economic growth in the country, the low level of inflation and the fact that the population is practically employed. In Sweden, economic policy is aimed at limiting the excessive growth of corporate profits. All workers and employees in a country with the appropriate profession and qualification receive equal pay, regardless of the financial status of their enterprises. The country has an advanced system of vocational training and retraining for both the unemployed and the employed. In this way, the regional and professional mobility of the workforce is encouraged.

It should be noted that Sweden has a unique experience in this field. The government's goal-oriented policy is aimed, on the one hand, in creating the necessary quality workforce and, on the other hand, in creating new jobs. Active ways to influence this are: training and retraining, subsidizing part of the cost of wages, organizing public works, and so on. At the same time, government subsidies are used to maintain employment in enterprises that are not profitable enough, but are needed to perform certain social functions.

It should be noted that in the "Swedish" regulation of employment and unemployment, the state not only prioritizes the creation of new jobs, but also measures to improve the quality of the workforce. This is because the increase in the number of new jobs will not allow them to achieve the desired results, as they will inevitably compete with existing jobs.

In general, to assess the nature and effectiveness of different countries' employment policies internationally, it is necessary to compare the share of unemployment benefits and other payments in total expenditures on labor market policy.

Table 2. The work with employment in the system regulation hit functions differentiation

National degree	Regional degree	Farm manager subjects degree
Of the population the work with employment state strategy functional exit	Legislation in the field of employment functional exit and acceptance to do	Staff policy functional exit
The work with employment state policy formation	Entrepreneurship development program functional exit	In the profession growth (career)
The work with employment legal regulation hit	The work force Demand and his of the proposal marketing research Unemployment prevent get complex measures formation	Personnel preparation and qualification increase
Of the population the work with employment condition evaluation and uni develop forecasting	The work with employment monitoring formed reach and transfer	Personnel dismissal release process management
The work with employment service authorities system create, they activities coordination and control to do	Employment promotion is regional programs functional exit and instead increase  Small business support	Staff stability for conditions Create
	Assistance in vocational	Effective the work

	training	places sonini multiply
Finance and credit, investment and tax policy functional exit	The work with employment auxiliary centers development	The work with employment services empty the work places about informed to do

Source: Abdurahmanov QX, Zokirova NQ Labor economics and sociology. Study guide. - T.: «Science and technology», 2013. - 536 p.

In recent years, changes in tax legislation in the West have been used to encourage the unemployed to work. In particular, the tax on low-income workers has been reduced, and measures are being taken to increase the gap between the wages of unskilled workers and unemployment benefits. This is being achieved by reducing the number of low-wage employees paid by employers to social insurance funds.

The current European model of employment is based on reducing the number of people employed (increasing the income of those employed) as productivity increases. Such a policy would require the creation of a cost-effective pricing system for the growing number of unemployed.

In the employment system, government regulation should be carried out at the level of national, regional and business entities (Table 2). Region, population location, administrative units (urban, rural), level of economic development, national traditions, the demographic composition of the able-bodied population should be approached, taking into account the characteristics of its level of professionalism.

In order to regulate employment at the regional level, the following key tasks need to be addressed:

- ➤ Development and implementation of regional programs to promote self-employment, self-employment, small business development;
- > regulation of migration processes;

Ta'minlash Ensuring the impact of regional demographic processes (births, increasing labor force at the expense of young people, reducing mortality, disability, morbidity, etc.);

> Strategic employment forecasts, privatization of indicative programs, coordination with programs of perspective structural changes in the regional economy.

Government regulation of employment will be short-term (operational), medium-term (1-2 years) and long-term (5-10 years) (Table 3). At the macro level, short-term regulation requires more administrative measures by the state, while economic (indirect) methods of regulation are more effective for the implementation of long-term strategies.

The state chooses different methods and means of influencing employment based on its regulatory goals and objectives. The methods of state employment regulation in Uzbekistan are mainly divided into three groups:

- 1. Economic methods (fiscal policy prioritizes the provision of soft loans to employers, especially entrepreneurs, reducing the tax burden, training the needy in competitive occupations in the labor market, etc.) to encourage the creation of new jobs).
- 2. Organizational methods (formation and development of employment and employment services, information systems serving the labor market, vocational guidance and training and

retraining).

3. Administrative-legislative methods (conclusion of labor contracts, regulation of working hours, overtime, introduction of mandatory payments to the state employment funds, quotas on the number of guaranteed jobs for the vulnerable population etc.).

At the same time, the government's employment policy can be active and inactive. Active policies include comprehensive incentives for labor supply and demand, the development and implementation of employment programs, and other measures. Inactive policies are mainly limited to providing social assistance to the unemployed.

Table 3. The system of mechanisms for regulating employment in the labor market

Period	Macrodaraja	Mezodaraja (economy	Micro-level (economy)
	(nationwide)	networks level)	manager subjects within)
Short term	<ol> <li>Privileged lending system.</li> <li>Percent rate decrease - increase (increase).</li> <li>State from the budget subsidy</li> <li>Inflation reduction</li> </ol>	1. Loss of working time, production cessation (with forced labor) unemployment) reduce 2. Financial support measures	<ol> <li>From work release scale reduce</li> <li>Bankruptcy the way not to put</li> </ol>
Medium term	<ol> <li>Country investment programs.</li> <li>Customs duties, export (import) quotas and licenses.</li> <li>Selective support of loss-making enterprises.</li> <li>Social support for the unemployed and the dismissed.</li> <li>Population labor activity regulation hit</li> </ol>	network programs: - the work power functional in the extractor again distribution; - the work power network in again distribution; - staff preparation and again preparation 2. Network composition change remove	1. Formation of a system of self-regulation of regional labor markets (taking into account regional employment funds without).  2. Regional employment programs (tax and other financial benefits, if necessary).  3. Population income policy formation
Long term	1.Development and deployment of productive forces complex prognosis.  2. Long-term measures to attract foreign capital (free economic zones)  3. Migration policy.  4. Different markets (capital, goods, labor) reciprocal activity	1. Network diagrams of the development and deployment of productive forces. 2. Networks specialist and qualifying worker cadres need prognosis. 3. Attracting long-term investors (securities remove and etc.)	1. Regional specialization - programs for the development of rural areas, tourism, etc. 2. Development of fields, construction industry, transport, etc. on large joint projects

Source: Compiled by the author.

Employment policy is inextricably linked with other priorities of socio-economic development of the Republic of Uzbekistan, occupies a worthy place in the strategy and prospects of economic reforms.

There are several stages in the implementation of the state employment policy in Uzbekistan.

The first stage of employment regulation (1991-1994) is characterized by the emergence of labor relations in the social sphere and the need to regulate them. During this period, the population for the first time faced the negative phenomena of the labor market: job losses, unemployment, declining wages, forced part-time employment, and so on.

At this stage, as the main subject of employment regulation, the state has pursued a policy aimed at supporting the unemployed at the national and regional levels through administrative forms of labor market regulation. This period was characterized by the desire to keep the demand for labor at its level, with the transition to part-time work and part-time work, and in many industries the wages were lower than the subsistence level.

The adoption of the Law on Employment (1992) and the Labor Code of the Republic of Uzbekistan (1996) was the most important institutional basis of the regulatory process. These laws recognize unemployment, the right to choose the form of employment, guarantees of social protection against unemployment, and so on. At this stage, the regulation of the labor market did not pay enough attention to the specific features formed in the regions in the period before the transition to market reforms.

The next stage of employment regulation (1994-1999) was defined as the period of adaptation. The characteristic feature of this stage is that the acceleration of the economic downturn has had a negative impact on the dynamics of the labor market. During the transition period, the decline in production in the CIS, Central and Eastern Europe was accompanied by a smaller decline in employment in the short term. However, efforts to maintain employment in enterprises have often led to large and growing financial shortages. The government has compromised with the continued lending by banks to insolvent enterprises and has not accelerated the passage of the bankruptcy law. The introduction of strict budget restrictions, which are the same for everyone, and the declaration of insolvent enterprises as bankrupt led to mass layoffs. Although the private sector was growing relatively rapidly, it was initially unable to provide adequate employment. During this period, the decline in employment occurred in the most important sectors of the economy, such as industry and agriculture.

At this stage, the main goal of state regulation was to reduce unemployment and mitigate its consequences. At the same time, improving the labor supply and demand ratio has become one of the tasks of labor market regulation. However, the state employment and employment services were able to meet the demand for labor services at a very low and low level. It was during this period that the inefficient use of the labor force employed, especially those who were forcibly laid off, became a problem of regulation.

During this period, labor market regulation was complicated by a lack of information or inaccuracies, as a large proportion of workers with no formal or "secret" income were temporarily employed. The scope of clandestine employment and personal employment has also expanded. The lack of access to them did not allow for a clear definition of employment. Despite the government's efforts during this period to implement a socially oriented model of labor market regulation and pursue proactive policies, labor authorities have not been able to stop the decline in demand and stimulate demand growth.

At the qualitative stage of employment regulation (from 2000 to the present), the positive changes in the macroeconomic situation in the country had a significant impact on the labor market, during which the process of improving the regulatory and institutional framework for employment continued. At this stage, the adoption of the new version of the Law "On Employment" and the Labor Code of the Republic of Uzbekistan, as well as the improvement

of employment services have played a positive role in regulating employment.

The current structural changes in the country's employment system include:

- 1. Improving the employment structure of the population and training the unemployed in new, competitive occupations in the labor market.
- 2. Modernization of production, technical and technological re-equipment, especially with a focus on restructuring and diversification. This includes the creation of new jobs, as well as the production of new products and services for domestic and foreign consumption.
- 3. Improving the activities of employment centers, first of all, to optimize the structure of these centers, to identify priority measures in the context of the global crisis, to allocate funds for employment based on the objectives of socio-economic development. rational distribution requires the implementation of measures.

Thus, citizens who wish to sell their working capacity for a short period of time (full-time or part-time, two or more, but less than one month) will be offered a job by an employer and a hired worker. -help them meet and reconcile. Such events are held in densely populated areas, where previously the informal trade in labor was carried out.

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