

THE ROLE OF ACTIVE INVESTMENT POLICY IN ENSURING DECENT EMPLOYMENT

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Abstract

Outdated work forms and methods in the field of employment, non-compliance of the established workplaces with the International Labor Organization's concept of Decent Work, superficial approach to employment of young people who have completed educational institutions, distortion of the real situation in the labor market by official statistical data, expansion of the scope of the "hidden economy" in the country, led to an increase in illegal labor migration and informal employment, and an increase in the unemployment rate. The article provides comments on these problems and solutions.

Keywords: investments, concept of Decent Work, informal employment, unemployment rate, precarious work.

Introduction

There are different views on employment factors in economic theory. In particular, according to the new classical theory, the level of employment is determined by two factors: the most laboriousness of work (the factor that determines the labor supply) and the highest labor productivity (the factor that determines the demand for labor).

In this case, the amount of demand for labor is determined by the maximum product produced by the last worker (the price of this product is a fair estimate of this factor of production). It logically follows that the lower the wage that workers agree to, the higher the level of employment in the economy, and vice versa. So, the level of employment depends on the workers themselves. This means that they agree to work for lower wages and increase their employment rate.

However, J. Keynes opposed this rule of the representatives of the new classical theory, arguing that the level of employment and its change have nothing to do with the behavior of workers. According to the scientist, the level of employment is determined by the dynamics of effective demand - the expected costs for consumption and the amount of capital funds that are expected to be included in production resources. Not the supply of labor resources and changes in their relative prices, but directly this aggregate demand determines the level of employment. The increase in effective aggregate demand is directly related to the investments involved.

By attracting investments in economic sectors, the following tasks are solved:

- as a result of investments, it is possible to establish new enterprises for the production of goods, including import substitutes, and create new jobs;
- expansion of production of existing enterprises and enrichment of their main capital is achieved through investments;



- the introduction of investments into the economy will serve to introduce innovations, technologically improve production and, ultimately, to launch the production of competitive products on the market.

The President of the Republic of Uzbekistan Shavkat Mirziyoyev emphasized that "In order to develop the economy at a high rate, it is necessary to consistently continue the active investment policy."¹.

According to the experts of the World Bank, the investment potential of Uzbekistan is 65 billion. 20 billion US dollars, including raw materials. is US dollars. In recent years, the importance of attracting investments to the sectors of the country's economy has increased sharply (Figure 1).

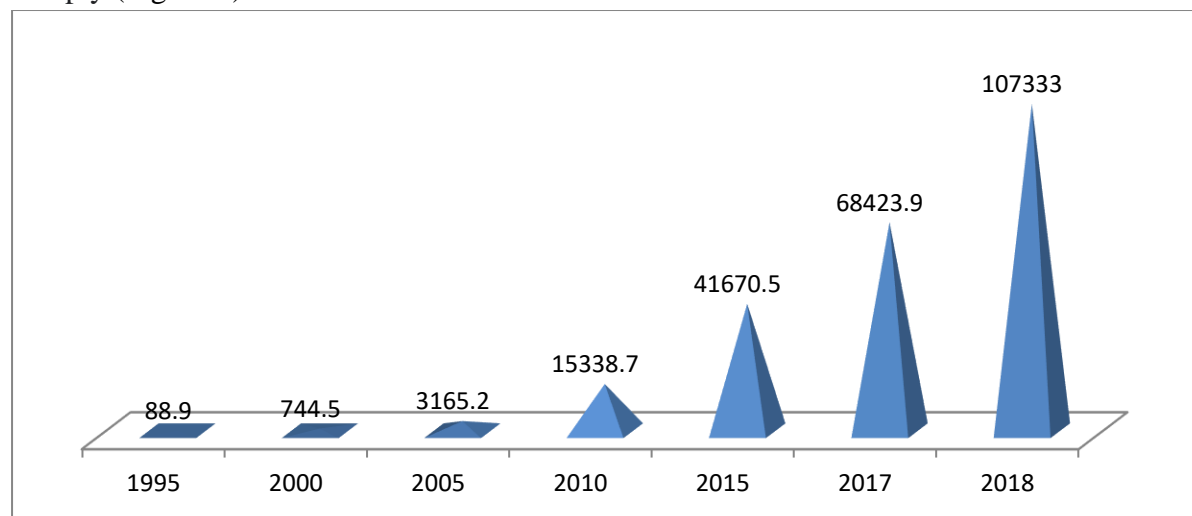


Figure 1. Dynamics of capital investments in Uzbekistan (billion soums)²

A significant portion of fixed capital investment is directed to mining, processing, transportation and storage, electricity supply, wholesale and retail trade. However, the weight of investments in innovative technologies, especially information and communication technologies and communication, is relatively low.

Uzbekistan's economic attractiveness for investment is determined by:

- ❖ political stability in the country;
- ❖ creation of a solid legal basis for guaranteeing private property and healthy competition;
- ❖ development of infrastructure that serves to accelerate investment processes;
- ❖ convenient geographical location of the country;
- ❖ possession of rich mineral and raw material resources and high potential of the agro-industry network;
- ❖ availability of highly qualified labor resources;
- ❖ the domestic market has a large capacity.

¹ Address of the President of the Republic of Uzbekistan Shavkat Mirziyoyev to the Oliy Majlis // UzA, January 25, 2020

² Information of the State Statistics Committee of the Republic of Uzbekistan. //http: // www.stat.uz



At the same time, high macroeconomic stability is maintained in Uzbekistan due to factors such as relatively high rates of economic growth, low level of public debt, and the possession of significant gold and foreign currency reserves. In addition to providing preferences for attracting foreign capital in the country, attractive financial and economic incentives have been developed. This provides an opportunity to attract foreign investment, especially direct investment, to industrial production with high foreign exports.

In addition, free economic zones have been established in Uzbekistan to encourage the attraction of foreign investments into the national economy. Currently, the legal framework aimed at ensuring the transparency of customs and health systems is being further improved in the country, as a result of these and other large-scale reforms, Uzbekistan has made a unique big jump in the investment rating: from 166th place in 2012 to 76th place in 2019. In the 2020 Investment Program, 23 billion dollars worth of investments will be absorbed in the country and 206 new large capacities will be put into operation. More importantly, a significant part of the investments to be absorbed are foreign direct investments and loans. Also, public-private partnership mechanisms, which are an effective means of attracting investments, are widely used in such fields as transport, energy, roads, utilities, medicine, and education.

Creation of new jobs at the expense of investments in the country is carried out as follows:

- new jobs created at the expense of projects implemented by ministries, agencies and business associations;
- jobs created at the expense of small projects (local projects, without taking loans at the expense of own funds);
- jobs created within the framework of projects organized on the basis of non-functioning, inefficiently used buildings and unfinished objects;
- jobs created at the expense of social and other objects that are launched on the basis of state budget funds and the conditions of public-private partnership;
- jobs created at the expense of loans from commercial banks.

It is planned to implement projects on creating permanent jobs in economic sectors and business entities due to the implementation of the state order mechanism. It is planned to provide employment to the able-bodied population through employment assistance centers, employment in foreign countries, seasonal and temporary work. (Table 1)

Table 1 Indicators of the State program on job creation in Uzbekistan in 2020

Indicators	Number of jobs
Organization of jobs	382 272
Including:	
At the expense of large projects and budget funds	21 821
Jobs created in small enterprises and micro-firms	244 805
At the expense of establishing new small enterprises and micro-firms	75 565
At the expense of expanding the activities of existing enterprises	169 240
Organization of family and individual entrepreneurship	115 646
Involvement in paid community service	125 498
Placement in vacant and reserve jobs	264 965



Employers are also encouraged to provide employment to the working population. In particular³:

- to cover the costs of training, retraining and upgrading the skills of employees hired on the referral of employment assistance centers - in the amount of 4 times the minimum monthly salary for each employee for 6 months;
- to unemployed persons who are registered in the population employment assistance center and want to start a business - expenses for registration, state registration of small enterprises and micro-firms, entrepreneurship training and payment of insurance policy in obtaining a loan in the amount of 10 times of the minimum monthly salary;
- to organizations that employ persons belonging to socially needy population groups in excess of the minimum quota - in the amount of 2 times the minimum monthly salary for each employee for 12 months;
- for the installation of lightweight construction greenhouses, the purchase of seeds, seedlings and irrigation equipment - based on the tripartite agreements concluded between "Tomorqa Service" LLC, the Center for the Assistance of Population and the landowners of the estate, a fee of 3 to 10 times the minimum monthly salary is paid.

But there are still not enough stable, and more importantly, decently paid jobs in the country's labor market. Therefore, according to official data, 2.3 million people (20.0% of the country's economically active population) are currently working outside Uzbekistan. 1.0 million of them. about one person works in the Russian Federation. For the first time, on the website of the Embassy of the Republic of Uzbekistan in the Russian Federation, in cooperation with the Ministry of Employment and Labor Relations, a separate section has been opened, where information about vacancies in state and private enterprises and organizations of the country will be posted.

In the "Vacancies in Uzbekistan" section of this site, the salary is 2.5-10 mln. a list of 115 vacancies is given, amounting to soum⁴.

It was clarified that there are informal jobs in the economic sectors of the country. Measures will be taken to legalize them in 2020

At this point, it is necessary to emphasize the great importance of human capital in the provision of stable and decent jobs for the able-bodied population at the stage of innovative development of the current economy. Studies have shown that investment in human capital is three times more profitable than investment in technology. At the same time, a 10.0% increase in the level of employee education was found to increase labor productivity by 8.6%. However, the increase in share capital by this amount increased labor productivity by 3.0-4.0%⁵.

The analyzes carried out on the comprehensive study of the education system of the Republic of Uzbekistan by a group of influential foreign experts involved in the cooperation of the UN Committee on Education, Science and Culture (UNESCO) and the consulting organization

³ Information from the Ministry of Employment and Labor Relations of the Republic of Uzbekistan. <https://lex.uz/docs/4358964?query>

⁴ List of vacant jobs in public and private organizations for the employment of compatriots. // <http://www.uzembassy.ru/news/812>

⁵ Лазарева А.В. Формирование человеческого капитала непрерывным обучением /Материалы Двенадцатого всероссийского симпозиума / под ред. Г.Б. Клейнера. - М.: ЦЭМИ РАН, 2011. с-83-84.



(DGP Research & Consulting) showed that the integrity of theory and practice in the higher education process is not ensured, the students' qualification practices due to the fact that training in production enterprises is not organized effectively, most of the graduates, instead of becoming ready specialists, study their profession and specialty again after getting a job, also pointed out shortcomings such as the mechanism of educational quality control does not meet modern requirements, the lack of qualified pedagogues and management personnel in educational institutions, the lack of effective cooperation with foreign educational institutions⁶. Studies conducted by experts of the World Bank have shown that the lifetime income of children born today is less than 50.0% of what they have the opportunity to earn. This is a consequence of the governments of these countries not investing enough in the human capital of their citizens.

In any economy, there is a high degree of connection between the level of unstable employment of the population and social-labor relations. It can be noted that it has a high negative impact on the participants of social labor relations. Signs of precarious employment are mainly evident in the following four attitudes:

1. Absence of stable employment in production relations, growth of partial employment with forced (forced) work in the labor market, growth of informal employment.
2. In the field of distribution relations – lack of guarantees and security for labor subjects, permanent incomes and a decrease in real wages.
3. In the field of relations with the state – the narrowing (absence) of civil, political and economic rights of labor subjects, the growth of unemployment and informal employment.
4. In the field of relations with professional communities – lack of professionalism in self-presentation of labor subjects, cases of informal employment, temporary employment, and unemployment are observed. This increases the characteristics of unstable employment.

Based on these relations, the information of the State Statistics Committee of the Republic of Uzbekistan confirming the characteristics of employment instability was analyzed separately. The analyzes showed that the systematic research of the impact of the level of unstable employment of the population on social and labor relations in the country is of great importance.

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⁶ Resolution of the President of the Republic of Uzbekistan dated July 27, 2017 "On measures to further expand the participation of economic sectors and sectors in improving the quality of training of highly educated specialists" // Collection of legal documents of the Republic of Uzbekistan, 2017, No. 30, Article 729



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