

“PROSPECTIVE DIRECTIONS FOR THE DEVELOPMENT OF LABOUR MARKET INFRASTRUCTURE IN THE CONTEXT OF ECONOMIC MODERNIZATION”

Zayniddin Yavkachevich Khudoyberdiev¹, Temirbay Polatbaevich Jiemuratov², Aytbay Orazbaevich Madreimov², Kishibay Ramatullaevich Kudiyarov²

¹Institute of pedagogical innovations, training and retraining of professional education pedagogical personnel and management

²Karakalpak State University

ABSTRACT:

The article determines the socio-economic essence and content of the development of the infrastructure of the labour market and develops the functional elements and components, the classification of its levels and functions, and studies the prospective directions of the development of public and non-public employment services.

Keywords:

labour market infrastructure, unemployment, employment, labour legislation, employment service, demand and supply to the labour force, recruiting system, personnel agencies.

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1. INTRODUCTION

As the experience of countries with developed market economies, as well as the experience of the Republic of Uzbekistan, shows, the effective functioning of the labour market is impossible without an effective market infrastructure. This problem is especially relevant for the republic, where the formation of the modern infrastructure of the labour market practically began in 1991-92, after the adoption of the well-known Law of the Republic of Uzbekistan "On Employment of the Population". Also, the problem is very important in the conditions of large cities undergoing a long and difficult period of transformation of the structure of the economy. In the context of the changing economic behaviour of business entities with uncertainty in the labour market, ensuring the proper functioning of the labour market infrastructure is an undoubted priority.

As you know, at present, ensuring employment of the population is one of the central problems facing society, the labour market infrastructure is the main means of regulating the relationship between the subjects of the labour market and the implementation of the basic principles of state policy to promote employment.

In the world practice of the effective development of the labour market, scientific research in such important areas as increasing the efficiency of organizational structures of various levels in the field of employment promotion, the formation of regional information systems in the labour market, increasing the mobility of the labour force, reducing the unemployment rate, forming state orders for creating jobs, taking into account the needs of the labour market and individual socio-demographic groups of the population, the development of non-state employment services.

In the context of the modernization of the economy in Uzbekistan, there are problems of ensuring the employment of the able-bodied population in the regional labour market, ensuring the consistency of the number of unemployed and vacant jobs, increasing the mobility and competitiveness of the labour force, as well as developing a system of psychological support for them, training personnel for a system of promoting employment, developing proposals to improve the information system to improve and predict the effectiveness of the development of the labour market infrastructure, to determine the main directions for the formation and

development of state and non-state employment services. An effective solution to these problems requires improving the development of the labour market infrastructure and the development of scientifically based proposals and practical recommendations.

2. LITERATURE REVIEW

The socio-economic essence of the infrastructure of the labour market, its functional elements and components, its levels and functions, the activities of state and non-state Employment Services, the regulation of the labour market, the main directions of the state policy in the field of employment, methods of assessing the effectiveness of the development of the infrastructure of the labour market are studied by M.A.Armstrong [1], S.Beysenov, T.Mukhambetov [3], O.A.Varfolomeeva [4], L.N.Rudneva [7], K.Abdurakhmanov, Yu.G.Odegova [8], R.Sims [12], N.U.Arabov, K.Z.Khomitov [6].

Levels and stages of development of the labour market infrastructure, methods of assessing the effectiveness of the state and non-state employment service activities, as well as strategic directions of the development of the regional labour market infrastructure covered by O.A.Varfolomeeva [4], O.Kolesnikova [5], S.Smirnov [9] cited in the scientific ages of the Lars. Methods of assessing the effectiveness of the development of the infrastructure of the labour market are studied by R.Sims [12], L.N.Rudneva [7], N.U.Arabov [2].

3. RESEARCH METHODOLOGY

The research used a dialectical and systematic approach, comparative and comparative analysis, statistical and dynamic approach and grouping methods to investigate the economic systems and ratios in determining the components of the labour market infrastructure and their interrelationships.

4. ANALYSIS AND RESULTS

The rapid implementation of market reform processes in the republic leads to the formation of

a new approach to the development of the labour market infrastructure. Disclosure from a scientific point of view of the fundamentals of organizing the work of the labour market infrastructure contributes to increasing the socio-economic significance of the formation of an effective labour market.

The infrastructure should regulate the relationship between the employer and the employee regarding the price of labour, working conditions, training and retraining of workers, as well as the protection of the rights of employers and employees in the labour market. As you know, at present, ensuring employment of the population is one of the central problems facing society, the labour market infrastructure is the main means of regulating the relationship between subjects of the labour market and the implementation of the basic principles of state policy to promote employment of the population [4].

The effectiveness of the functioning of the regional infrastructure of the labour market is determined by the activities of the constituent subsystems, each of which contributes to its result. Indicators of economic and social efficiency, which provide a generalized assessment of the functioning of the regional infrastructure of the labour market, do not allow to characterize the return of its components, to highlight its strong and weak links and, based on this, to outline promising directions of development [2].

The infrastructure of any economic system in the economy should be able to create conditions for the manifestation of relationships between the main subjects of this system.

The labour market infrastructure is designed to regulate the relationship between the employer and the employee regarding the price of labour, working conditions, training and retraining of employees, to organize and regulate the processes of protecting the rights of the employer and the employee in the labour market; allows you to use various organizational forms and methods of ensuring employment of the population and social protection, to effectively carry out training and

retraining of laid-off workers and the unemployed, to carry out vocational guidance among young people and adults; coordinate the activities of government agencies, employment systems, education and social protection, public organizations and employers' associations.

Labour market infrastructure is an integral part of the labour market, which includes state and non-state employment promotion services, personnel departments of enterprises and firms, public organizations and foundations that directly

regulate the relationship between supply and demand for labour, which creates regulatory, social-economic and informational mechanisms to ensure cooperation.

The structural composition of the labour market infrastructure has been developed, which characterizes the essence and functions of subjects at various levels in the spheres of economics and management (Table 1).

Levels	Functions
The ILO	Development and coordination of international norms, conventions and recommendations for the regulation of labour relations in national labour markets.
National	Introduction of regulatory, socio-economic mechanisms for regulating the formation of the national labour market
	Creation of a system of social and labour legislation.
	Determination of the rights of employers and employees in the framework of labour relations administration and the field of recruitment.
Regional	Development and implementation of legal norms governing social and labour relations in the region.
	Formation of the concept of employment at the regional level.
	Development and implementation of regional programs to promote employment of the population.
	Development of measures to improve the quality structure of the labour force and increase the labour potential in the region.
	Development and implementation of programs to improve the efficiency of the use of labour resources in the region.
	Implementation of measures to create innovative employment and ensure the elasticity of the labour market in the region.
Company	Development and implementation of a policy for managing social and labour relations at the enterprise level.
	Improving the professional and qualification composition of workers and increasing their competitiveness.

Table 1 Level and functions of the labor market infrastructure

The labour market infrastructure, as an important component of state regulation of employment, has a structural character inherent in a complex, open and developing system, consists of the integrity and unity of elements such as the system of socio-economic relations,

organizational and legal forms of economic management, a market mechanism, which leads to

the emergence of a relationship between supply and demand for labour.

As you know, striving to achieve effective employment is the main socio-economic function of the labour market. The labour market infrastructure ensures the performance of this function, therefore, the criterion for the successful functioning of the labour market infrastructure is to achieve a balance between supply and demand, and the main task of the infrastructure is to create

economically advantageous conditions that ensure the most effective interaction between supply and demand in the labour market.

Based on the position of the main task of the labour market infrastructure, we highlight the main functions of the infrastructure:

1. Labour mediation. This is the most important function of the infrastructure, representing state and non-state employment promotion, including the employment of marginalized segments of the population (persons in particular need of social protection, women, graduates, etc.).

The coordinating activities of rule-making institutions and organizations here are carried out by legislative acts regulating labour mediation, licensing activities for the creation of organizations engaged in labour mediation, legislative activities for the creation of various associations of employment services.

2. Vocational training and retraining of employed and unemployed citizens. The coordinating activity consists of the legislative provision of training and retraining of the labour force; acts on the creation and liquidation of educational institutions; licensing of educational institutions; competitive distribution of state orders.

3. Creation and preservation of jobs. Legislative regulation of investment processes.

4. Information Services for the population. Regulatory actions to ensure information transparency of the labour market.

5. Support for labour mobility, including employment of internally displaced persons.

The labour market infrastructure as a whole (or general infrastructure) combines several subsystems:

1. The infrastructure of superstructure elements, first of all, the regulatory and rule-making role of the state, as well as labour contracts. The regulatory role of the state, in particular, can be attributed to the adoption of laws and regulations governing labour relations and, to a certain extent, the movement of investments (through quotas, licensing, etc.), the implementation of social policies that affect the functioning of the labour force.

2. Organizational infrastructure, including organizational, economic and organizational and management structures at both the micro and macro levels:

□ an organizational system of employment, which is a network of state, municipal bodies, non-state services and associations that form an economically beneficial climate on the labour market;

□ the organizational educational system, covering all educational centres in the state (educational and methodological centres of the Employment Service, funds for modular training, etc.) and the non-state employment service. The subsystem also includes institutions of higher, secondary and primary vocational education as institutions that supply new specialists to the labour market and as participants in contracts with employment services for training citizens;

□ the organizational recruiting system, which is a network of recruiting agencies and commercial specialized labour exchanges;

□ the organizational information system that ensures transparency of the labour market;

□ organizational social system - a network of organizations and centres for rehabilitation that assists in the employment of citizens in particular need of social protection;

□ organizational material and financial system. This refers to the state employment fund, commercial funds for promoting employment, funds of educational institutions that promote the employment of graduates.

The formation of the labour market infrastructure depends on the efficiency of all its subsystems, incl. and from organizational infrastructure.

The organizational infrastructure is a network of state and non-state organizations engaged in non-profit and commercial labour mediation in the labour market (universal labour exchanges, recruitment agencies, various training centres for vocational training and orientation).

Recall that employment is called non-commercial if the costs of providing such a service are financed from budgetary funds and / or extra-budgetary funds. In reality, the recipient of non-commercial employment services is not only the person who applied for help in finding a job but also the company where the person is applying. Thus, from a financial point of view, non-

profit employment services are a transfer of government to businesses and households. In the case when the costs of finding a job are paid by the jobseeker himself, one should talk about commercial employment.

So, the main task of the organizational infrastructure that arose during the institutional arrangement of the labour market was the distribution of functions and the creation of mechanisms for interaction between the subjects of the infrastructure.

Let us consider the main subjects of the organizational infrastructure, which are regulators of the labour market - the State Employment Service (PES) and the non-state employment assistance service.

The state employment service is an integral part of the employment policy pursued by the state, a participant in the development of its main directions, and sometimes just its executor.

The main tasks of the state employment service are personal assistance to the unemployed and regulation of the labour market, and the ways of their solution are labour mediation, promotion of professional and geographical mobility, and collection of information about the labour market. Thus, this implies a combination of the social function of the civil service and its economic function of the labour market regulator. This dual-task defines the dual nature of the employment service. The public employment service is doomed to constantly vary between solving the

problems of unemployment (social function) and problems related to employment (economic function).

Separation of funding sources leads to a fundamental change in the management structure of the entire system. Instead, a three-tier system was created (ministry, regional bodies, city and district centres to promote employment of the population).

The responsibilities of the regional Employment Department include managing employment centres, drawing up a regional employment program, developing forecasts, analyzing labour needs, and distributing funds from the state and local (municipal) budgets.

In recent years, the dynamics of the main indicators of the effective development of the labour market of the Republic is manifested in the following ways: in 2019, the growth of the economically active population decreased by 162.2% compared to 2001, the number of employed persons by 148.2%, of which in the official sector of the economy by 3.5%, in the informal During the reporting period, the number of those who went to work outside the Republic increased by 10.6 times, the unemployment rate by 2.2 times, and the number of economically inactive population by 113.4%. The ratio of economically active population to total labour resources was 71,6% in 2001 and 78,3% in 2019 (Table 2).

Indicators	2001	2010	2014	2015	2019	2001-2019 increase, %
Economically active population	9173,5	12286	13505,4	13767,7	14876,4	162,2
Total employment	9136	11627,8	12818,4	13058,3	13541,1	148,2
Including:						
In the official sector of the economy	5920,2	5348,9	5307,5	5294,9	5712,1	- 3,5
In the informal sector of the economy	3215,8	6279,5	7510,9	7763,4	7829	2,4 times
Those who went to work outside the Republic	230,7	289,2	1073,6	1001,3	2460,7	10,6 times
Persons in need of employment	37,5	658,2	687	709,4	1335,3	3,6 times
Unemployment rate, %	0,4	5,4	5,1	5,2	9	2,2 times
Economic inactive population	3643,9	4424,9	4542,6	4508,4	4131,4	113,4
Total labour resources	12817,4	16504,2	18048	18276,1	19007,8	148,3

Table 2
Balance of labour resources report in the Republic of Uzbekistan [11],
(thousand people)

City and district centres for the promotion of employment, in addition to their functions, such as reception, registration and payment of benefits, can engage in commercial activities. For example, to provide connections with the employer: many need to improve the qualifications of their staff, in consulting services. According to the heads of the federal employment service, many centres can successfully engage in recruitment, selection of highly qualified personnel.

Non-governmental structures mean a network of recruiting agencies (recruiting agencies), commercial labour exchanges, exchanges on the Internet.

The state of the labour market reflects the general state of affairs in the economy. With economic

growth, an increase in investment, the demand for labour rises, in times of crisis, on the contrary, enterprises reduce their staff. On the other hand, the development of the industry and the economy as a whole largely depends on how quickly financial and technological capabilities are provided by the support of qualified personnel.

Unlike the state employment service, commercial ones pursue one goal in their economic activity - profit. The costs of setting up a recruiting agency and its continued existence in the industry are relatively small. Many entrepreneurs have paid attention to the recruiting market precisely because of the low costs (where the biggest expense is renting premises).

Commercial labour intermediation was actively developing its activities in the segment of high-paying

jobs, which were either in a profitable enterprise, or required replacement by an employee with high professional qualifications, which are not often found in the aggregate supply of the labour market. The ability of a successful enterprise and a skilled worker to pay for intermediary services formed the economic basis for the development of commercial labour intermediation.

Recruitment agencies consider employer firms as their clients, who apply to them with applications for recruiting. Applicants, that is, applicants for agency vacancies, are not the main clients. Thus, the focus of recruiting agencies only on the client-employer is their main distinguishing feature in comparison with the state employment service. Commercial specialized labour exchanges, in contrast to recruitment agencies, are guided by both employers and job seekers [4].

The activity of commercial organizations for employment in the first period of their existence caused discussions with negative, concerning them, conclusions. Many public employment service executives viewed private agencies and commercial labour exchanges as unwanted competitors, taking away "tidbits."

Can you call their position wrong?

Private recruiting agencies specializing in mediation services for successful businesses have sought to capture the most prestigious job applications.

At the state employment service, despite the high efficiency of employment, only a small part of the vacancies is filled with its help, and these are mainly jobs. The reasons for such a situation in the PES can be called the following: 1) The State Employment Service had in its data bank both vacancies for prestigious jobs, and for low-paid and low-skilled jobs, since, to a greater extent, applications for the employment service is submitted by enterprises from disadvantaged industries, in a smaller one - from steadily developing industries, which also apply to other recruitment agencies; 2) At the same time, in addition to qualified workers, the civil service registered socially maladjusted citizens and citizens in need of social protection who could not be clients of commercial employment services; 3) Entrepreneurs with lucrative vacancies and good employees rarely use the services of SZ, preferring to look for what they need through friends, relatives, the media, through direct contacts. We have determined

that over 60% of job seekers receive job information from friends and family; 4) In fulfilling its social functions, the state employment service is identical to the social security authorities, where, accordingly, a successful company will not rush to submit its applications for an employee, believing that there are citizens registered in the SZ who are unable or unwilling to work [4].

In this regard, the state employment service faced a problem: a large number of difficult-to-fulfil applications from employers going through bad times; a small number of qualified proposals from citizens that meet the demand in the labour market; a large number of proposals from citizens whose professional qualification requirements are not yet in demand in the labour market or proposals from citizens of the category of the most important employment services. The consequence of this is the length of the period of being in the status of the unemployed and the increase among the unemployed of the proportion of persons in need of social protection. Here, the state employment service is forced to act as the only subject of the labour market that performs social functions, making, first of all, social payments to the unemployed, providing career guidance services to citizens who have been in the status of unemployed for a long time, conducting vocational training and retraining of the unemployed, organizing joint projects with various organizations regarding the rehabilitation and employment of citizens of especially needy employment services.

Can recruitment agencies compete with the state employment service in the field of labour intermediation?

We suppose not. Employers applying to recruitment agencies usually have very high requirements for the candidate for the position. Therefore, the work of the agencies is labour intensive and with a small number of employees. On average, a recruiting agency fulfils applications for 10-12 people per month, with each agency specializing in any specific groups of professions or categories of citizens. It turns out that the work of agencies in terms of quantitative results is small, and in terms of quality it is an additional factor in promoting the employment of citizens of any specific professions or categories.

The result of research and analysis of information on commercial employment services was the identification of priority areas of activity of non-state employment services. The ranking of directions is determined by the gradual use of them in the activities of non-state employment services:

1. Selection of personnel for organizations and enterprises. Recruitment agencies or recruiting agencies are developing their activities in this direction. In addition to recruiting services, agencies also provide consulting services (advice on employment issues, legal advice). Agencies, as well as commercial labour exchanges, can be specialized and universal, depending on the qualifications of the selected personnel or the vocational guidance.

Commercial labour exchanges also provide such a service, and the clients of the exchange are both citizens seeking work and employers.

2. Promotion of employment of citizens seeking work. In this direction, specialized and universal commercial labour exchanges work. The exchanges specialize in working with a certain marginal group of the population or working with professions of one professional group.

3. Consulting services. When analyzing the work of several recruiting agencies, the author concluded that many employers willingly resort to consulting services of agency specialists. Employers are interested in some of the legal aspects of labour law, recruiting issues that each organization faces, and information about the situation among recruiting agencies, labour exchanges, etc.

4. Professional training. Professional training, retraining of unemployed citizens takes place in the training centres of the exchange, agency. In the absence of such, the labour exchange concludes an agreement with educational institutions for the training of citizens. Most often, non-state labour exchanges use the training centres of the state employment service to provide professional training for their clients.

5. Marketing functions in the labour market. Marketing research of the labour market is carried out by commercial labour exchanges, focusing on those segments of the population with whom they work.

Depending on the specific situation, the interaction of commercial and non-commercial

employment services can be built in different ways. As our analysis of the interaction between state and non-state employment services shows, joint activities take place on the following issues:

1. Selection of personnel for specific vacancies. Most often, recruitment agencies turn to the PES with a request to select personnel for specific vacancies of employers. Taking into account a large number of citizens, information about which is available in the data bank of the Employment Service, the selection of personnel, as a rule, does not cause difficulties even in cases when it comes to vacancies in rare or even unique professions.

2. Targeted recruitment of personnel. Another option for cooperation may be targeted recruitment when the employer's application for labour is large and the agency cannot fulfil it on its own.

3. Search for a vacancy for a specific specialist. Rarely, but sometimes a situation arises when specialists of high qualifications or rare professions are found in the databank of non-governmental organizations for employment, which the agency has not been able to employ. In this case, the Employment Service resorts to the contacts it has accumulated over the years with employers and assists in the employment of these citizens. Of course, in this case, employment is free of charge.

4. Cooperation to assist in the employment of citizens of the category of special need employment services. A special place in cooperation in promoting the employment of citizens is occupied by the contacts of the PES with agencies and exchanges serving citizens in particular need of social protection.

5. CONCLUSION/RECOMMENDATIONS

Based on the characteristics and development trends of the national labour market, a strategic concept has been developed to improve the efficiency of the labour market infrastructure development. This concept consists of a set of systemically implemented measures aimed at improving the organizational, institutional and socio-economic mechanisms for the effective development of the labour market infrastructure.

To effectively form and develop the labour market infrastructure in the Republic of Uzbekistan, it is advisable to take measures in the following areas in the field of improving the existing organizational, economic and institutional system:

1. Improving the activities of employment services: issuing reliable and complete information about proposals for the potential labour force in the future in the process of strategic planning of the employment program; creation of a databank on resumes and providing a variety of their qualitative composition; organization of targeted professional support and retraining according to the orders of enterprises; development of the degree of employee satisfaction with the workplace following wages in enterprises and firms; development of a policy to stimulate the actions of young people to train them to work and mass vocational guidance; creation of benefits for the employment of citizens in need of social assistance.

2. Directions of innovative development of structural elements of the labour market infrastructure: selection and implementation by the employment service of the most optimal among the various options between solving the problems of unemployment, which is considered a social function of labour market development, and employment provision, which is considered an economic function of developing the labour market; ensuring the elasticity of the formation of demand and supply for labour in the labour market, corresponding to the development of an innovative economy; expanding the activities of Virtual Agency Types, which are considered an innovative type of employment promotion; improving the process of intellectualization of labour.

3. Development and improvement of the conceptual framework and reform of the financial support of the labour market: ensuring the social and economic justification of the volume of contributions to the State Fund for Employment of the Population from the wages of employees of enterprises and organizations; expanding

deductions to the State Fund for Employment of the Population not only from employees' salaries but also from other types of income (income from entrepreneurship, income from participation in profits); in addition to national compulsory unemployment insurance, stimulation of voluntary insurance in the republic; expansion of non-traditional financial sources for the implementation of state employment policy.

4. Improvement of the directions of activity of bodies of employment services: the formation of functional structures, including various levels of activity of bodies of employment services and ensuring the implementation of the specified, related issues; development of an effective methodology for processes, ranging from forecasting various processes related to employment issues at the enterprise when working with employers to targeted training of employees to fulfil special orders during modernization, development of the enterprise; expanding the scope of work of employment services with clients.

5. Increasing the efficiency of the bodies of state and non-state employment services: establishing cooperation between state and non-state employment services for the targeted selection of employees for specific vacant jobs; creation of a single bank of vacant jobs in the bodies of state and non-state employment services and the establishment of information exchange; creation of a two-way data bank on qualified personnel; specialization of the population in terms of vocational qualifications in employment.

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