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## ISSUES OF IMPROVEMENT OF LABOR MARKET AND EMPLOYMENT

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**Abstract:** This article analyzes the relationship between GDP and population employment in the Fergana Valley regions, and develops a mechanism for improving the regional and sectoral structure for the efficient use of labor resources.

**Keywords:** gross domestic product, labor resources, employment, diversification, specialization, light industry, small business and private entrepreneurship.

### Introduction

The demographic situation also has an impact on the development of the national economy [5; p 3]. The number of labor resources in the country is growing rapidly due to high natural population growth. This raises one of the most pressing economic and social issues - the problem of employment and their effective use.

The main criterion of economic growth is gross domestic product [3; p 25]. In 2019, 511838.1 billion soums of gross domestic product was allocated in the Republic. Its 89079.5 billion. soums or 17.4% of the total share falls on the Fergana Valley regions [10; p 14]. The process of declining share of the Fergana Valley is typical in terms of the country's gross domestic product. Although the volume of production has increased, its share in the country has decreased over the period. Thus,

in 2005, 20.4% of the country's GDP fell on the valley regions, while in 2019 this figure went down to 17.4% (Table 1).

### Main part

Given that 28.6% of the country's population lives in the valleys, only 17.4% of GDP does not allow a positive assessment of the study area.

The share of Andijan region in the country's GDP in 2005 was 7.0%. The main industries in the region are closely linked with the activities of machine-building enterprises. In the following years, the region's previous position began to recover and in 2019 it rose to 6.4%.

Table 1  
**Gross domestic product of the Republic of Uzbekistan and the regions of Fergana Valley (in the amount of billion soums)**

	2005	2010	2015	2016	2017	2018	2019
<b>Republic of Uzbekistan</b>	<b>15923,4</b>	<b>74042,0</b>	<b>210183,1</b>	<b>242495,5</b>	<b>302536,8</b>	<b>406648,5</b>	<b>511838,1</b>
<b>Regions of Fergana valley</b>	<b>3255,6</b>	<b>12625,5</b>	<b>39427,7</b>	<b>45103,2</b>	<b>53544,7</b>	<b>71160,5</b>	<b>89079,5</b>
<i>Share in terms of the Republic, in percent</i>	<i>20,4</i>	<i>17,0</i>	<i>18,7</i>	<i>18,6</i>	<i>17,7</i>	<i>17,5</i>	<i>17,4</i>
Andijan	1121,1	4349,5	13474,6	15628,2	19206,0	26503,0	32897,2
<i>Share in terms of the Republic, in percent</i>	<i>7,0</i>	<i>5,9</i>	<i>6,4</i>	<i>6,4</i>	<i>6,3</i>	<i>6,5</i>	<i>6,4</i>

Namangan	715,5	3162,6	10254,4	12184,1	14501,2	18046,0	23239,0
<i>Share in terms of the Republic, in percent</i>	4,5	4,3	4,9	5,0	4,8	4,4	4,5
Fergana	1419,0	5113,4	15698,7	17290,9	19837,5	26611,5	32943,3
<i>Share in terms of the Republic, in percent</i>	8,9	6,9	7,5	7,1	6,5	6,5	6,4

The table is compiled by the author on the basis of data from the State Statistics Committee of the Republic of Uzbekistan

Fergana region occupies a high place in the production of the republic. Heavy industry enterprises determine the specialization of the region. Unfortunately, in the recent period, the economic indicators of the region have been declining year by year, and in 2019 it was only 6.4%.

Heavy industry is underdeveloped in Namangan region, but light industry is developing rapidly. The share of the region in the country's GDP has increased and in 2019 it reached 4.5%.

In 2019, the average GDP per capita in the country amounted to 15242.0 thousand soums [10; p 14]. The highest rate in the country is typical for Navoi region, which specializes in the mining industry and produced 37119.5 thousand soums per capita, or about 2.5 times more GDP than the national average. Such high figures are also typical for the city of Tashkent, which produced 29,331.2 thousand soums per capita.

In the regions of Fergana Valley, the highest GDP per capita was observed in Andijan region and amounted to 10,621.6 thousand soums [10; p 14]. However, this does not allow us to conclude that the living standards of the population of Andijan region are high, as it is one and a half times lower than the national average. For information, it is characterized by almost four times lower than in Navoi region. During his visit to Andijan, the President of

Uzbekistan stressed that "... setting clear plans, increasing per capita income ..." is our main goal[2].

In Fergana region 8861.5 thousand soums, and in Namangan region even less, ie 8353.6 thousand soums of product was made. It should be noted that the lowest rates in the country, except for Surkhandarya region (8597.2 thousand soums), are recorded in the regions of Fergana Valley [10; p 14]. For example, in terms of GDP per capita, Fergana region ranks 10th place among the regions of the country, and Namangan region ranks last place among the regions.

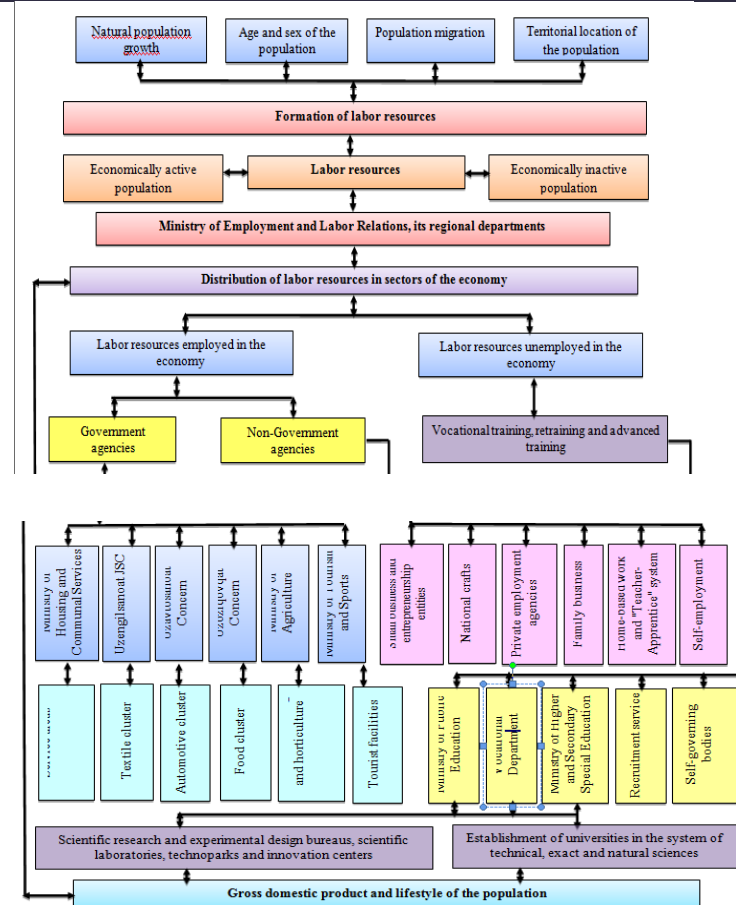
Consequently, the Fergana Valley regions have a large population and income-generating labor resources [6; p 170], however, their corresponding gross domestic product is the lowest in the republic.

The employment rate in the country is 68.3% (01.01.2020). This figure is the highest in Tashkent, that makes 80.5%. It is recorded that in Tashkent (71.5%), Andijan (70.2%), Navoi (69.5%), Bukhara (69.3%) and Syrdarya (69.0%) regions the rates are higher than the national average, and in other regions they are lower. [9; p 120].

In Tashkent, Tashkent region, Navoi and Kashkadarya regions, the use of natural resources on the basis of domestic and foreign investments, the construction of new industrial enterprises, the further development of the transport system are the main factors that have led to high employment.

Labor resources are increasing in the country and in the valley regions, and their number will increase even more in the future. This leads to an increase in socio-demographic problems related to the population. Developing a positive solution to such problems is one of the main tasks today. Thanks to the initiative and efforts of the leaders of the republic and the region to achieve employment, large-scale work has been done in recent years and additional jobs have been created. The issue of employment has changed for the better. However, it is currently difficult to assess whether the Fergana Valley is using its labor resources effectively enough. Because there are a lot of unused labor resources in the valley regions, they can increase in the future and the issue of their employment remains one of the main problems.

Given the strictly limited land and water resources in the Fergana Valley, the demographic capacity and the specificity of the ecological environment, taking into account the labor and productive capacity of the population, a mechanism of reduction of labor resources in agriculture, further involvement of industry, especially in automotive, light industry, services, small and family business, entrepreneurship, home-based work, national handicrafts through more construction of industrial enterprises, efficient use of labor resources in the Fergana Valley, for improving the regional and sectoral structure has been developed (Figure 1).



**Figure 1. Establishment of the proposed mechanism for improving the territorial and sectoral structure for the efficient use of labor resources in the Fergana Valley regions**

The development of industries that serve the employment and welfare of the population is a matter of urgency. One such sector is the development of small business and private entrepreneurship. The development of this sector will create new jobs and have a positive impact on employment. The development of private farms and family businesses will also increase the degree of population employment.

In order to eliminate unemployment and create new jobs, the country pays great attention to small and medium enterprises. Today, more than 76.3% of the total employed population work in this sector [8; p 48].

The share of small business and private entrepreneurship in GDP increased from 31% in

2000 to 59.4% in 2018. Its share was particularly high in agriculture, that reached 98.3 percent. In turn, the industry approached 37.4%. This, in turn, leads to a large share of the labor force and an increase in the number of employed people. According to the data, more than 76.3% of the employed population work in this field [8; p 18-19].

Industry plays an important role in providing employment. Industry is developed in the Fergana region, where large enterprises of the automotive, irrigation and agricultural machinery, electrical engineering, textile and ginning industries are located [7; p 138]. In this regard, it is expedient to deploy productive forces and build labor-intensive industries in the employment of the population. After all, the implementation of such work will make great contributions to the employment of labor resources with great potential.

One of the main ways to provide employment to the fast-growing population is to diversify production [1; p 231], the transfer of the processing industry to a system of specialization and cooperation in parts (spare parts), semi-finished products (raw materials) and items (finished products), the establishment of service and processing enterprises in agroindustrial towns and villages. Because there are great opportunities for this in the villages. In particular, the villages have a large labor force, housing stock, sufficient raw materials for industry (cotton, vegetables, fruits, cocoons, etc.) and in rural areas of the Fergana Valley in settlements with a population of 1000-10000 and 2/3 more part lives in settlements with more population. Under such conditions, the construction of industrial and construction facilities of various sizes, the establishment of public services in rural areas will provide employment for the unemployed. As a result, the socio-economic conditions of the rural population will further improve.

In order to further comprehensively develop the economic specialization in the regions of the Fergana Valley, it is necessary to carry out well-designed reforms in its economic structure. Along with cotton and grain growing, the economy of the Fergana Valley has a great potential to become a major supplier and exporter of vegetables, fruits and grapes in the country. There are highly skilled labor resources that prepare them [4; p 62]. The nature of the regions is very favorable for the development of horticulture, viticulture, vegetable and melon growing, and the mountainous, hilly and other lands in the region can be widely used in horticulture. Most importantly, the provinces have economic, material, technical, infrastructure and other facilities. With the judicious use of these opportunities, the production of many agricultural products can be achieved. At the same time, one of the most pressing issues is the possibility of employment of a certain part of the population.

In the rural areas of the valley, there are many young people, and especially women, who are not employed in rural areas, medium and small towns, and their use is one of the urgent tasks. It is worth noting that the majority of women who are not involved in production are young women and there are few jobs and areas where they can work. Therefore, traditional networks in the valley regions [3; p 33] - Adequate development of specialties specific to the labor of women, yarn and silk-weaving, weaving, spinning, embroidery, sewing and other related to cotton, silk raw materials is required. Therefore, further development of industries in the region, such as yarn, silk, knitwear, sewing, embroidery, is required at the expense of local raw materials.

## **Conclusion**

It is necessary to provide existing textile and light industry enterprises with advanced

foreign technologies and develop cooperation. As a result, the regions of the Fergana Valley will become the center of light industry in the republic and will be able to produce a large number of consumer goods.

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