

**ANALYSIS OF FACTORS AFFECTING EMPLOYMENT IN THE  
NAVOI REGION**

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**Abstract.** This article analyzed indicators of the industrialized Navoi region and its labour resources, including qualitative and quantitative indicators. It also examined the factors affecting employment and the levels of correlation between them.

**Keywords.** Labour resources, correlation matrix, Navoi region, positive correlation, unemployment, migration.

**Introduction.** Understanding and studying the main factors affecting the level of employment is essential to form effective management and stimulate economic growth. According to the Organization for Economic Co-operation and Development (OECD) definition of the employment rate, the employment rate measures the share of workers among the working-age population (ages 15-64), that is, persons who are employed represents the ratio of the number to the population.

According to the definition of the International Labor Organization (ILO), a person is considered employed if he worked more than one hour in a "gainful" position during the last week<sup>1</sup>. The employment rate measures the economy's ability to create jobs and is therefore often used in conjunction with the unemployment rate to assess the state of the labour and employment market. In general, three indicators are used to describe the labour supply in the labour market: the labour force, the employment rate, and the unemployment rate. Unlike

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<sup>1</sup> OECD (2016), "Employment rates", in OECD Factbook 2015-2016: Economic, Environmental and Social Statistics, OECD Publishing, Paris, <https://doi.org/10.1787/factbook-2015-49-en>.

the other two indicators, the employment rate is defined as the ratio of the number of employed people to the total working-age population.

**Main part.** The level of working ability is determined by the ratio of the economically active population to the total number of working-age population, and the unemployment rate is calculated as the share of the economically active population that is not employed. According to the above definitions, there is a constant relationship between these three indicators:

$U + O = T - E$ , where  $U$  represents the unemployed,  $O$  those who left the labour market,  $T$  the total number of the working-age population, and  $E$  the employed.

Ensuring the employment of the population is not only an urgent task of eliminating social conflicts but also a priority of regulating the income of the population. Population employment both in developed countries and countries in transition depends on structural changes in the economy, the type and nature of economic policy, the level of development of productive forces and the direction of industrial relations. Changes in the labour market constitute the main trends in the scale and dynamics of employment, the social distribution of labour and unemployment.

Ensuring employment means effective use of labour resources in microeconomic conditions. This is characterized, first of all, by the effective use of production potential and the level of development of the country's economy. Employment reflects the multifaceted and most important aspects of social life. Employment security covers the labour market. The value of the labour force in the labour market is determined by the conditions of employment, as well as the amount of wages, working conditions, education, level of professional skills and employment. The employment rate is related to the labour force needs of the country. The need for labour has a great impact on the formation of a multi-sectoral economy, and changes in the sectoral infrastructure of the economy affect the development of the market infrastructure.

Changes in labour relations affect the formation of individual and general employment in connection with the transition to market relations. Individual employment is related to the development of entrepreneurial activity. Although individual employment is characterized as a criterion of hidden unemployment, privatization of state property and new forms of ownership are associated with the development of market processes. Therefore, in all societies, providing the population with effective employment is considered as an important socio-economic and complex political task at the state level. Today, great attention is paid to the development and implementation of several employment policy measures. The transition to market relations is an objective necessity of forming a population protection system and implementing an active labour market policy. The level of population employment should correspond to the changes taking place in society. Employment is defined as a socio-economic process reflecting the development of leading factors, production factors, means of production, labour force and production forces.

The low level of employment as an acute social problem takes an important place in the application of social policy in the labour market by the state. The state determines the terms of employment and the collective agreement, while it implements technical-professional and consistent personnel training. At the expense of state subsidies, labour force mobility will be expanded, medium and small businesses will be encouraged, and entrepreneurs who create new jobs will be given benefits. To correctly determine the level of employment in the republic, it is necessary to study the structure of employment, analyze its specific features and laws, as well as research the changes occurring in the structure of employment. The employment structure is the most important indicator of the use of labour resources in the economy. Economic reforms, structural changes, and improvement of the economic environment have a significant impact on the employment of the population. The need for structural changes in the economy is based on the current requirements of society.

Demographic factors also affect the level and structure of population employment. Demographic factors include, first of all, population size, age and sex composition, the ratio between men and women, birth rate, death rate and natural growth rate, average life expectancy, labour resources and the population's mechanical includes movement. The influence of demographic factors on the employment structure of the population is determined by the activity of the able-bodied person in the production process, the income of the individual and his family, education, specialization and professional level. In addition, this process also depends on personal qualities and living conditions. Improving the demographic situation in the market economy is the economic and social basis of every country. Because it is very difficult to consistently implement socio-economic activities without taking into account the demographic situation.

On the other hand, the qualitative and quantitative changes in the composition of labour reserves, the need for a labour force and the demographic situation require the state to regulate labour reserves, support the formation of the labour force and the effective use of these resources. In this context, the study of the demographic situation and legal changes in the labour pool are of great importance. It should be noted that the demographic policy requires the formation of targeted reproduction. Because the reproduction of labour power is not limited to the reproduction of individual labour-power. Every working-age person fills a job vacancy due to natural death or illness and creates a new workforce. But the reproduction of labour power involves overproduction not only quantitatively, but also qualitatively. In the process of work, the representatives of the labour force themselves develop, and gain practice and knowledge, the level of specialization and professionalism increases, as well as skills and work methods are improved.

Socio-economic factors also affect the level and composition of population employment. Among the social factors that affect the employment of the population are the level of education and specialization, wages, benefits, the current state of the social infrastructure, etc. In developed European countries, the development of individual human abilities is based on the general education

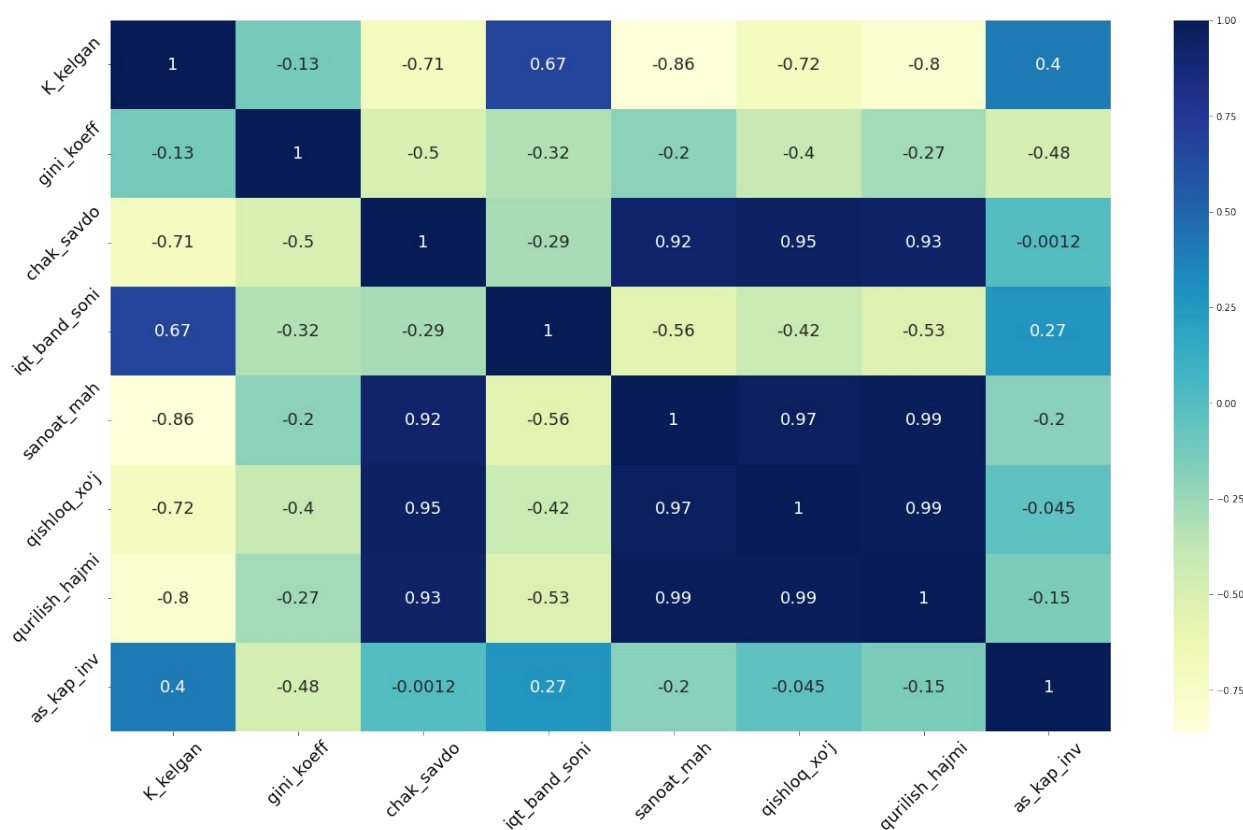
system and professional training. In these countries, with the development of personal abilities and professional skills, a person is offered a high-paying job. At the same time, to the requirements of scientific and technical development, labour market organizers regularly re-certify jobs and personnel. It is very important to study and implement this experience in our country because it will be difficult to create an effective employment system. This system strengthens the social protection of the population. In addition, according to the labour contract, which requires a higher qualification, the salary will be higher. Also, employees change jobs over time, choosing more complex and higher-paying jobs based on individual test results.

In the conditions of inflation and economic crisis, a decrease in wages can lead to unemployment, which, in turn, is a factor affecting the level and structure of population employment. It is known that increasing the income of the population is an important factor in economic development. Effective employment, first of all, reflects the balance between jobs and the population's need for work, which creates favourable conditions for social and economic development and takes into account the common interests of society. This is reflected in state needs and social policy. Because of the incomplete operation of enterprises, the mismatch of wages with market prices leads to open and hidden unemployment in society. Employing the population has its laws and features. Naturally, the period of transition is very different from the developed economy, and of course, employment problems in the conditions of transformation will have their characteristics.

Among the economic factors affecting the employment of the population, first of all, the territorial structure of the economy, investment and its composition. If we analyze current trends in the general structure of employment in transition countries, including the republic, it is possible to observe the tendency of the population to highly invested sectors. This is explained by the fact that the competitiveness of the products produced in these areas in the domestic and foreign markets ensures high wages. It should be noted that the formation of the

labour market based on offers and demands is based on socio-economic relations between labour reserves and job holders.

One of the important factors is the impact of migration processes on the level and structure of employment. Because migration processes affect the dynamics of the labour force and the emergence of disparities between regions. In recent years, this trend has been observed in a more open form in Uzbekistan. Labour reserves, as an important component of economic resources, are used more efficiently in economic entities based on private property. Therefore, the specific characteristics of entrepreneurial activity are related to economic reserves, as well as the development of production forces. In developed countries, the employment of the working population is ensured through the labour market<sup>2</sup>.



**Figure 1. Correlation matrix between factors**

Many traditional studies are mainly based on regression based on the mean, where the regression results only reflect the structural relationship between the data near the mean. These models are not sufficiently accurate in determining the

<sup>2</sup> Ровшан, Наджаф Чингиз оглу. Классификация факторов, влияющих на уровень и строение занятости / Наджаф Чингиз оглу Ровшан. — Текст : непосредственный // Молодой ученый. — 2009. — № 7 (7). — С. 113-117. — URL: <https://moluch.ru/archive/7/508/> (дата обращения: 26.08.2024).

relationship between the upstream and downstream variables. If the sample set data does not take into account the effect of unexpectedly large or very small values, the estimation results are often not stable and effective. Due to the limitations of mean regression, some scientists have switched to studying quantile regression. Compared to mean regression models, quantile regression can more accurately reflect the information in the data. Currently, the most studied quantile regression model is linear quantile regression, which assumes a linear relationship between variables and comprehensively analyzes data from different quantiles. However, as the complexity of modern data increases, the advantages and limitations of parametric quantile regression models become more apparent.

In the course of the study, as factors affecting the employed population in the Navoi region in 2010-2022, investments in fixed capital in the region, the volume of retail trade, the number of immigrants, the Gini index used to measure the difference in income of the population, the volume of industrial output, agriculture such as the size of the products and the size of the construction were selected.

**Conclusion.** It can be seen that the minimum and maximum values of the change in the number of employed people in the Navoi region have not changed much. The minimum and maximum values of the factors of change in the volume of retail trade, the volume of industrial products, products in agriculture, forestry and fisheries, and the volume of construction work differed significantly.

At the same time, we checked the level of correlation between the factors (Fig. 1). It can be seen that the volume of retail trade, industrial products (0.92), the volume of agricultural, forestry and fisheries products (0.95) and the volume of construction work (0.93) are highly correlated with the Cheddock scale.

The level of correlation between the remaining factors was found to be moderate or weak. In the figure above, cells in dark blue indicate a strong correlation, and those in lighter colors indicate a weak correlation.

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