

## **A Study of the Indicators and Influencing Factors for the Youth Unemployment Rate**

**Doniyorova Fotimabonu Alisher kizi**

PhD doctoral student of TSUE. Tashkent, Uzbekistan

**ABSTRACT:** *The article analyzes the indicators and influencing factors on the level of youth unemployment in Uzbekistan. When analyzing unemployment rates and the factors influencing its level, it turned out that the indicators of wages and migration inflows (outflows) of the population are of the greatest importance.*

**KEYWORD:** *Youth labor market, youth population, demographic burden indicator, able-bodied and disabled population, dependency ratio, demographic dividend, unemployment rate, migration outflow, wage indicators.*

### **INTRODUCTION**

In the labor market, the main resource is a specific product - labor. As in any other market, the price of this commodity is determined and regulated according to supply and demand. The essence of the category "labor market" can be considered in the narrow and broad senses. In a narrow sense, the labor market is understood as the processes of buying and selling labor. In the broad sense of the word, it is a set of economic relations arising from the availability of labor resources, on the one hand, and the demand for them, on the other. In the process of functioning of the above-named market, the price of labor is set and its owner is changed. In the labor market, as in any other market, the subjects of the relations that have arisen interact with each other, on the basis of which, under the influence of competition, employment and wage indicators are formed. Since the formation of intellectual and production potential occurs to a greater extent at a young age, the position of the younger generation in the labor market largely characterizes the potential supply of labor. Research by scientists confirms the conclusion that young people are one of the most important production factors and the stability of the national economy directly depends on their professionalism.

#### **Literature review**

Features of development and improvement of market regulation mechanisms  
Youth labor is the subject of scientific research by many foreign and

domestic scientists.

A. Marshall developed the basis for analyzing the demand for labor and its supply, put forward the concept of derivative demand, revealed the dependence of trade union opportunities on the elasticity of demand for labor, noted the uncertainty in the labor market, determined by the non-competitive nature of the market, substantiated the imperfection of the labor market, and also believed that the market system ensures the full use of resources, including labor. He saw no need for state regulation of employment [1].

M. Friedman believed that the labor market is able to come to an equilibrium in the presence of natural rate of unemployment, which corresponds to a rate compatible with real conditions of the labor market [2].

According to T. Veblen, problems in the field of employment can be solved with the help of various kinds of institutional reforms that largely determine the behavior subjects in the labor market [3].

G. Standing defined a flexible labor market, which involves the formation of various forms of relations between the state, entrepreneurs, trade unions and workers, designed to provide the necessary conditions for the free manifestation of market regulators and the free choice of alternative development models dictated by natural economic feasibility [4].

E. Spishakova claims that training and formation of professional skills in modern society has become a lifelong process, should be permanent and take into account all the actual needs caused by the reality of change [5].

In the studies of Yi-Chung Hu, it was revealed that sustainable development can be achieved through the constant creation and use of a skilled workforce [6].

M.Yu. Shchennikova notes that the key issue for the successful implementation of all reforms in the economy is the staffing of the industry [7].

M.N. Arnaut puts at the forefront a highly professional manager in the selection of personnel for an enterprise, the purpose of which is to meet the needs of the enterprise in educated personnel, thanks to which it receives the potential for long-term and effective development [8].

D.V. Markov writes that the availability of reliable data on the need for personnel with professional training makes it possible to attract and train workers precisely for those areas of activity in which they are really needed, which significantly increases the efficiency of the use of labor and reduces the scale of structural unemployment [9].

K.Kh.Abdurakhmanov, N.K.Zokirova and G.K.Abdurakhmanova believe that the availability of innovative, efficient and decent jobs is very important in the context of striving to improve general welfare. This can be achieved, among other things, by continuing reforms aimed at increasing competition, developing infrastructure, especially information and communication technologies [10].

A.B. Irmatova emphasizes that vocational training is one of the components of state policy [11].

In the publications of Sh.D. Kudbiev, special attention is paid to what specialists and in what quantity are needed for the development of the economy today and in the future, what labor skills and abilities they must possess in order to be competitive in the modern labor market [12].

At the same time, despite the presence of many works of domestic and foreign scientists-economists in this field, issues of labor market regulation youth require further research.

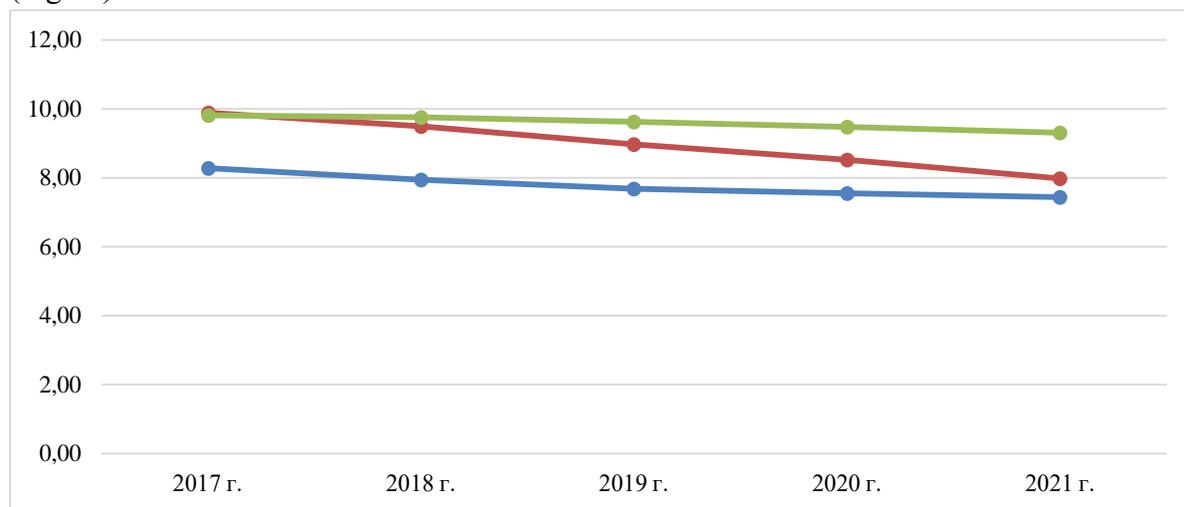
**Research Methodology**

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The main results of the study were obtained on the basis of the application general scientific methods of systemic and integrated approaches, structural, factorial, functional and comparative analyses, as well as traditional methods of economic analysis (observation, grouping, generalization), except in addition, sociological research methods were used.

**Research results**

According to the definition of international organizations, youth include the population aged 15 to 24 years inclusive<sup>1</sup>. At the same time, in some countries this restriction is slightly weakened due to the fact that most of the population enters the labor market later and the upper age limit of young people coincides with 29-30 years. Let's analyze the population of Uzbekistan in accordance with the following classification: adolescents (15-19 years old), youth (20-24 years old) and youngadults (24-29 years old) (Fig. 1.).

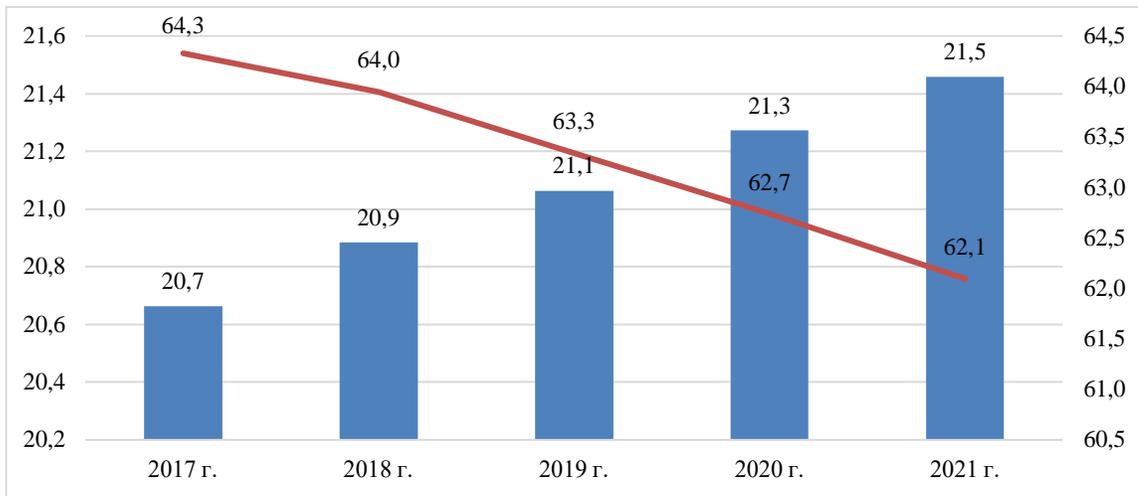


**Pic. 1. The share of categories of youth in Uzbekistan in the composition of the population countries in 2017-20212.<sup>2</sup>**

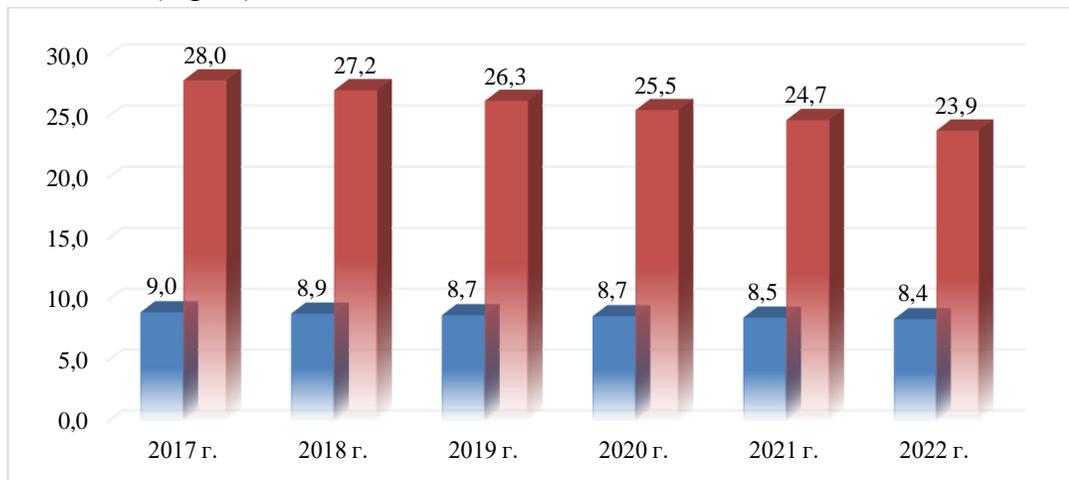
By the beginning of 2022, we can observe a decrease trend in Uzbekistan the number of young people aged 15-24 and an increase in the proportion of young people aged 25-29 (Fig. 2.8). At least paradoxical is the fact that, along with an increase in the number of able-bodied populations of Uzbekistan, it's the share in the total number has a clear downward trend (Fig. 2.).

<sup>1</sup> Analysis of the youth labor market. Youth Labor Market Training Package / Decent Work Technical Support Unit and ILO Office for Eastern Europe and Central Asia, Employment Policy Department. - Moscow: ILO, 2015

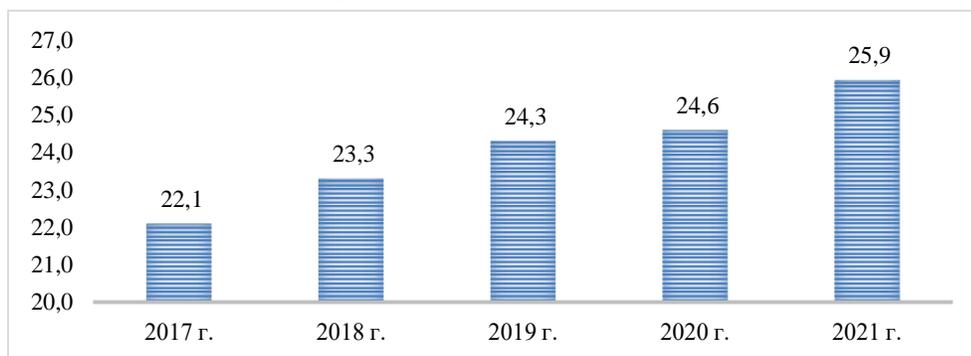
<sup>2</sup> Compiled by the author on the basis of data from the State Committee of the Republic of Uzbekistan on Statistics <https://www.stat.uz/>



**Pic. 2. The population of working age and its share in the population of Uzbekistan in 2017-2021<sup>3</sup>**  
 The share of the younger generation in the total population of Uzbekistan also tends to decrease (Fig. 3.).



**Pic. 3. The number of young people (15-29 years old) and its share in the total population of Uzbekistan in 2017-2021**



**Pic. 4. Fertility rates in Uzbekistan in 2017-2021, ppm 7**

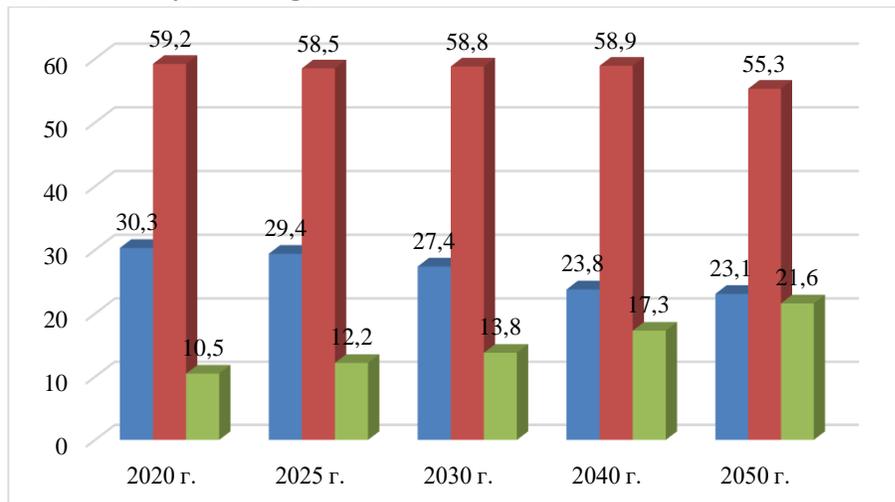
<sup>3</sup> Compiled by the author on the basis of data from the State Committee of the Republic of Uzbekistan on Statistics <https://www.stat.uz/>

The study showed that there is an increase in the coefficient of demographic burden in Uzbekistan, which may mean an increased burden on the working population and an increase in the economic dependence of the population of other ages. These trends characterizing the economic burden on people of working age, allow you to build a well-thought-out social economic policy of the state.

The analysis showed that the birth rate in Uzbekistan is growing slightly, the dependency ratio also tends to increase, which means an increase in the proportion of children and the elderly and a decrease in the proportion of the working population. An increase in the dependency ratio could lead to reducing the “demographic dividend”, meaning a reduction in ratio of potential producers and consumers.

Domestic scientists substantiate the assumption that in modern Uzbekistan has developed the most rational of all possible types of population reproduction in its broadest sense. They believe that in the coming years Uzbekistan has all the prerequisites for demographic growth and for a long period of time, the so-called demographic window of opportunity will open, which can be effectively used by the government of the country in order to increase stability in the labor market and the quality life of the population.

The current demographic situation in the world is characterized by a reduction fertility and population aging in developed countries, as well as the growth of the working-age population in developing countries, which can be a key factor for a breakthrough in socio-economic development for these countries. Until recently, the topic of discussion was the demographic situation in the world, associated with a sharp increase in the population and the problem of providing them with food, clean drinking water, electricity, housing, etc.9.



**Pic. 5. Expected population of Uzbekistan and its distribution by age groups in 2020-2050, %10**

In the forecast, carried out jointly by domestic and foreign scientists for the period up to 2050, it is assumed that the demographic window of opportunity will be open throughout the forecast period (Fig.5).

If we adhere to the correctness of the conclusions of scientists about openness demographic window, then as one of the most important tasks of the government Uzbekistan should determine the need to create a large number of jobs in order to create a sustainable labor market that will be able to effectively employ a huge flow of the working population and prevent existing and expected pressure on the labor market.

The economic activity of youth and the level of employment are associated primarily turn with the level of education, since it characterizes the quality of the labor force. Practice has shown that education and the labor market act on each other bilaterally, that is, on the one hand, thanks to educational institutions, the ranks of qualified labor force are replenished, on the other hand, the labor market forms the demand for certain types of professions and the level of education, in connection with what in order to assess the functioning of the youth labor market, it seems logical and appropriate analysis of the following indicators:

- indicator of youth literacy, characterized by the ability to read,
- write and perform elementary mathematical operations;
- the proportion of young people receiving education in the total young
- generations of the country;
- the level of education available;
- school dropout rate 11.

According to official statistics, in Uzbekistan the literacy rate of the younger generation reaches a maximum of 100%. However, numerous studies by international and domestic experts indicate that the quality of education in Uzbekistan tends to decrease, in addition, there are rather low marks for young professionals in places of employment, a high proportion of university graduates who work outside their specialty, insufficient independent work skills, received in the course of training<sup>12</sup>.

Studies of prominent domestic scientists in this field confirm the fact that the higher education system of the republic as a whole is quite advanced and flexible, but not fully adapted to market conditions and rapidly changing demand for skilled labor <sup>13</sup>.

### ***Conclusion***

Thus, in the analysis of unemployment rates and the factors influencing its level, the indicators of wages and migration inflows (outflows) of the population are of the greatest importance. The currently observed increase in inflation, the budget deficit, the instability of the fiscal, banking and economic systems as a whole, including due to the pandemic, have negatively affected the life of the population and its quality, which manifested itself as a significant increase in the migration outflow of specialists from the country. The history of the existence of mankind has proved that the growth of unemployment can exacerbate the socio-economic and political situation in the state, and an increase in the level of employment potentially increases the quality of life of both individuals and society as a whole. Of paramount importance in raising the level of employment is the implementation by the state of effective measures to increase wages and reduce migration outflows from the country.

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