# REGIONAL CHALLENGES AND INCREASING EMPLOYMENT REGULATION AND LIVING STANDARDS IN RURAL

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**Abstract.** The article discusses the special attention of the state to regional problems in the regulation of employment and living standards in rural areas, the development of a system of indicators and factors characterizing the standard of living and employment of the population, based on this, the authors' scientific views on the analysis of ways to increase employment and the standard of living of the rural population in the current state of the agricultural economy.

**Keywords.** Living standards of the population, poverty, reformer states, regulatory states, employment of the population, people's vitality, new jobs, unemployment, population migration,

#### Introduction

The most pressing global problem facing countries and peoples of the world (COVID-19) today is the continuation of the coronavirus pandemic and the inability to accurately predict the socio-economic damage that will lead to it. Great statesmen, politicians, economists do not have a clear idea or predictions about how this will negatively affect the world economy and the standard of living of the population. The main reason for this is that the epidemic is still ongoing.

To date, we have only the results of transparent analytical calculations about how the consequences of this plague have affected the socio-economic situation in the country. The economic damage caused by the coronavirus pandemic is reduced demand, i.e. This is mainly due to a sharp decline in the number of consumers buying existing goods and using services. These losses are particularly evident in areas of the service sector that have been severely affected, such as airlines and tourism, hospitality and catering, and recreational and cultural events. The same negative consequences apply to other industries. Problems, especially in the regions, have led to a decrease in employment and living standards of the population.

As noted in the speech of the President of the Republic of Uzbekistan Shavkat Mirziyoyev at the 75th session of the UN General Assembly "... Economic reforms in our country continue dynamically. My first discoveries showed our determination to reduce poverty. We use this means to develop entrepreneurship and create additional jobs, improve the investment climate and business environment, build modern infrastructure, and train new people in the profession. [one]

To overcome the negative consequences of the 2020 pandemic, the main goal of economic reforms in 2021 is to reduce poverty and improve the well-being of the population by increasing employment as a result of job creation in accordance with the needs of industries and sectors in the regions. These strategic goals will be achieved through high rates of economic growth, which will create equal opportunities for all. Over the past 4 years, serious steps have been taken to introduce market mechanisms in all sectors of the economy. The next

priority is to lay the foundation for long-term sustainable growth through deep structural reforms across all sectors.

In his Address on December 29, 2020 to the President of the Republic of Uzbekistan Shavkat Mirziyoyev of the Oliy Majlis of the Republic of Uzbekistan "... A factor in the accelerated achievement of the goals to reduce poverty and increase the income of rural residents is a dramatic increase in the productivity and efficiency of agriculture. Here, the priority task is to increase the profitability of a hectare of land from the current average of 2 thousand dollars to at least 5 thousand dollars. To do this, it is necessary to widely introduce the most advanced scientific developments and innovations into agriculture, including agricultural technologies, water-saving technologies, biotechnologies, achievements in seed production. First of all, it is necessary to increase the interest of farmers and dehkans in cultivating the land. Where there is interest and fairness, there will certainly be change and growth. In this context, it is time to consider securing land use rights and turning them into a marketable asset. [2]

At present, almost half of the country's population (49.4%) live in rural areas. The main natural resources are concentrated in the village - land, waterways, reservoirs, underground minerals, involving which it is possible to provide the industry with raw materials, and the population with food. In addition, the village, which embodies the agricultural sector of the economy, is also the most important source of national income, the main item of foreign exchange earnings in the country. All this makes the regulation of employment and the improvement of the living standards of villagers especially important not only for the rural, but also for the entire national economy.

#### Regulation - the market principle of economic management

Modern economic management is based on the concept of participation of the state in it, not only as an owner-state, a subject of the economy, but also as a reformer state, a regulator state that establishes the "rules of the game" on the market. At the same time, state intervention in the management of the economy is mobile, i.e. the processes of strengthening government regulation are replaced by deregulation, depending on the degree of government intervention. In any case, as world experience shows, there is a constant search for the optimal balance of power between the state and business, which coexist, complementing each other.

As history testifies, the real market economy, even during its formation, could not do without the intervention of the state. Only the tasks, forms, instruments and scale of such intervention changed, but the state never stood aside from the most important economic problems, especially those of a national nature. Therefore, few people dispute the need for state regulation of the economy. Moreover, it is believed that as the market economy develops and becomes civilized, more and more diverse adjustments and regulators of the market mechanism are required. In addition, it is the state that is inherent and able to prevent economic development from spontaneity and anarchy, to provide guarantees of economic freedoms, and to protect the poor.

Today, the leadership of Uzbekistan is pursuing a policy of gradually improving the quality of the management system and fully establishing the fundamental principle in society: "It is not the people who should serve the state bodies, but the state bodies must serve the people."

In 2017, the people's reception offices of the President of the Republic of Uzbekistan were opened, where citizens' appeals were received and where they were carefully analyzed. Since the opening of virtual and public reception offices to this day, more than 3.7 million citizens' appeals to the President have been received, which reflected many problems related to both the standard of living and the provision of employment, housing, high-quality utilities, health services and education. Many of the issues raised relate to social support for citizens, assistance to the poor and vulnerable groups of the population.

As you can see, the state is not and cannot be an outside observer of economic processes, especially those taking place on a national scale. Using an arsenal of means of direct and indirect influence, it directs economic processes in the direction of a strategy that meets the interests of forming an integral economic mechanism and, at the same time, a stable competitive economy. At the same time, the processes of formation of market institutions themselves should be carried out under the influence of the laws of competition and economic expediency.

## The system of indicators and factors characterizing the level life and employment of the population

Under the standard of living, it is customary to understand the provision of the population with material, spiritual and other benefits necessary for life, the achieved level of their consumption and the degree of satisfaction of people's needs for these benefits. This definition also applies to the rural population, although their standard of living differs, or at least may differ quantitatively from the standard of living of those living in urban conditions.

That is why, as well as in order to improve the standard of living in the countryside and bring it closer to urban conditions, the State Program for the implementation of the Action Strategy in five priority areas of

development of the Republic of Uzbekistan for 2017-2021 within the framework of the "Year of Support for Youth and Population Health" includes economic development, including poverty reduction and efficient use of long-term resources, the term "sustainable economic growth, mainly in agriculture". To lay the foundation for the future, the following areas have been identified to empower families with unemployed members, including those included in the Iron Book, Women's Book and Youth Book to farm:

- allocation of 0.1 to 1 hectare of land for agriculture, including newly developed, arid, unused land;
- irrigation system (artesian wells, drip irrigation system, etc.) and power supply of the allocated land;
- to allocate subsidies for the development of the allocated land (plowing, purchase of seeds, seedlings, etc.).

According to the UN recommendation, the standard of living is measured by a system of indicators that can be divided into three groups. The first group includes specific private indicators, most often expressed in natural measures (food, health and health care, housing, household property, paid services, cultural level, etc.). The second group is formed by cost, generalizing indicators, which include: GDP per capita, the share of goods and services in the structure of GDP, monetary income per capita, accrued average wages per employee (nominal and real), the average amount of assigned monthly pensions, real disposable money income, consumer price index, minimum wage, minimum consumer budget, etc. Finally, the third group is characterized by integral indicators, the construction of which is usually difficult, since for many components of the standard of living we have to consider weighting coefficients.

In relation to the latter case, you can use the Human Development Index (HDI), which was developed by specialists from the UNDP Development Program (UNDP) using a special methodology. It has been put into practice since 1991 and information on it is now published in 175 countries of the world. The HDI serves as one of the important indicators for international comparisons of the standard of living of the population.

Employment of the population is considered a macroeconomic category that forms important social and economic indicators of the state of society. Employment is the activity of citizens, not prohibited by law, related to the satisfaction of their personal and social needs, bringing them earnings (labor income).

Citizens have the exclusive right to dispose of their abilities for productive and creative work and to carry out any activity not prohibited by law, including those not related to the performance of paid work.

In practice, citizens are considered to be employed:

- working under an employment contract for remuneration on a full or part-time basis or at home, as well as having other paid work, including temporary work;
- temporarily absent from the workplace due to illness, vacation, vocational training, retraining or advanced training, suspension of production, as well as in other cases when, in accordance with the legislation, the temporarily absent employee retains a place of work;
- elected or appointed to a paid position;
- serving in the system of the Ministry of Defense, the Ministry of Internal Affairs, the Ministry of Emergency Situations, the National Guard, the State Security Service of the Republic of Uzbekistan, customs authorities and other departments in which military service is provided;
- self-sufficient work, including artisans, members of family enterprises, members of dekhkan farms, production cooperatives, members of farms, persons registered as self-employed persons, individual entrepreneurs, as well as other persons carrying out activities based on personal labor participation in the provision of services (performance of work), including under contracts of a civil nature;
- carrying out temporary labor activities outside the Republic of Uzbekistan;
- working in non-governmental non-profit organizations, including religious organizations that carry out their activities in accordance with the law. " [3]

In accordance with the Constitution of the Republic, citizens today are given the exclusive right to dispose of their abilities for production and creative work and to carry out any activity (both individually and on a collective basis) not prohibited by law. In the conditions of market relations, the state decisively renounces all claims to a monopoly in the use of labor resources in social production. Associated with this is another principle - the principle of freely chosen employment, i.e. the right to voluntary unemployment of able-bodied people with legitimate sources of income. The right to dispose of one's own ability to work (labor force) belongs only to its owner, i.e. to the employee himself. Thus, in the conditions of a market economy and the strengthening of its democratic foundations, the employment policy, the forms of its implementation and the principles of formation change significantly, abandoning the strictly regulated employment system and giving it high flexibility and flexibility.

From the foregoing, we can conclude that employment is not an end in itself, but the activity of citizens, which does not contradict the legislation, associated with the satisfaction of their personal and social needs, bringing them earnings (labor income). Employment should not be a formal act, but should bring the employed income, which would provide decent living conditions for a person.

Employment, as well as its reverse side - unemployment (unemployment) is or may be influenced by a number of factors, among which are:

- demographic population size, age and sex composition, presence of economically active population in it, etc.;
- social the structure of society, i.e. distribution of the population by social groups (strata);

- educational qualification, which reflect the state of population groups with different levels of education and qualifications;
- organizational and legal the presence as a legal basis in the field of labor relations, organizing the role of the state in the processes of employment of the population.

However, employment, as evidenced by world practice, is more influenced by the general state of the economy. There is a close relationship between GDP, GNP and other indicators with indicators of employment, unemployment, demand and supply of labor, although its quantitative expressions vary greatly depending on the phase of economic recovery or, on the contrary, crisis, depression, etc. There is a definite connection between employment and the state budget, credit investments, investments. It is especially important to note the close relationship between employment and real wages or real income, which in many cases determine the solution to the issue of employment or unemployment of adult family members.

Employment, in addition to internal factors, is or may be influenced by foreign economic relations, primarily foreign investments. Today, a considerable number of our compatriots work in joint ventures, including enterprises with 100% capital, and the products of domestic farmers are sold not only in the domestic but also in foreign markets.

All this means that the development of state employment policy and its regulation should be considered as a complex, multi-level process, in which it is necessary to take into account both internal and external factors, as well as indicators that have or may have an impact (both directly and indirectly) on the level of employment and living standards of the population.

## Current state of the economy, employment and living standards rural population

The main goal of the economy is to ensure the viability of people, since without people there can be no economy. It arose with the help of man and in his name, while simultaneously influencing the development of both an individual and society as a whole. Therefore, the rural economy is an integral and integral part of the overall national economy, where, as already noted, not only the main natural resources are concentrated, but also a significant part of the labor force.

It should be noted that, despite the fact that some work is being done in our country to reform agriculture, there cannot be a clear development of the agricultural sector without a long-term development strategy for the industry.

In this regard, the Strategy, developed by the Ministry of Agriculture of the Republic of Uzbekistan in cooperation with experts from relevant ministries, the World Bank, the EU delegation and experts from other international organizations, defines 9 priorities for the development of agriculture:

- ensuring food security of the population;
- creating an enabling environment for agribusiness and value chains;
- reducing state participation in the management of the sector and increasing investment attractiveness;
- rational use of natural resources and environmental protection;
- development of modern control systems;
- gradual diversification of government spending to support the industry;
- Development of the system of science, education, information and consulting services in agriculture;
- development of the village;
- creation of a transparent system of network statistics.

In our country, consistent measures are being taken to reform the agricultural sector, introduce market mechanisms and modern technologies. That is, the cluster method was introduced, the types of crops were changed according to the requirements of the time. As a result, both productivity and income increase. More than 80 types of agricultural products grown in our country are exported to 66 countries of the world.

By the presidential decree of October 23, 2019, the Strategy for the Development of Agriculture of the Republic of Uzbekistan for 2020-2030 was approved. According to him, fruit and vegetable clusters are being created for the production of products with high added value. On December 11, 2019, a Presidential Decree was adopted on this matter, the entire organizational and legal framework was created. As of February 1, 2020, 73 cotton-textile clusters have been created, which is 73% of the last year's cotton crop. The average yield was 4.1 quintals higher than on non-cluster land, with an additional 428,000 tonnes of cotton harvested. [4]

In 2020, during the pandemic, agricultural reforms, transferring land entirely to private clusters and cooperatives, increased cotton yields by an average of 10 percent per year.

About 500 clusters and cooperatives have been created in agriculture, vegetable growing, grain growing and animal husbandry. As a result, despite the negative impact of the pandemic, \$ 1 billion worth of fruit and vegetables were exported. At the same time, 91 thousand hectares of land will be reused in 2020. In addition, water-saving technologies have been introduced on 133 thousand hectares, which is two times more than last year. The state has provided many benefits and incentives to support entrepreneurship, including 100 trillion soums in business loans, which is almost 4 times more than in 2016.

According to the rules in force in the economy and the life of society, it is impossible to properly assess today's achievements without comparison with the past. Only comparison allows one to give an objective assessment of the progress achieved and make the necessary forecasts for the future.

If we approach the issue from these positions, then the rural economy in Uzbekistan has been developing one-sidedly for many decades. The republic was the raw material base of the former Soviet Union, and cotton monoculture prevailed in its economy. In many irrigated lands, the proportion of cotton sowing reached 70-80 percent and more, which led to a deterioration in soil fertility and the creation of a difficult ecological situation. As for the standard of living, the aggregate per capita income of the rural population in 1989-1990 was almost 40% lower than in Russia, where, by the way, this indicator was also not very high.

It is worth noting that many villagers did not even have a civil passport, and the workers involved did not have work books, which subsequently deprived them of their pension benefits. In many cases, remuneration for labor and its size were made at the will and instructions of the leaders of collective and state farms. The villager was more an appendage of the land than its owner.

Taking into account the role of the agricultural sector, the state does not weaken its attention to its development. Over the years of independence, agriculture has left its one-sided development in the past and turned into an industrial sector of the economy.

However, these successes, unfortunately, do not cover some shortcomings and unresolved problems in the rural economy. One of them is the low share of agriculture in GDP, which in 1991–2017 the structure of the economy changed dramatically: the share of agriculture in GDP decreased from 37% to 19.2%. [five]

In the Action Strategy for five priority areas of development of the Republic of Uzbekistan for 2017-2021, the modernization and accelerated development of agriculture, i.e. deepening structural changes and sustainable development of agricultural production, further strengthening food security, expanding the production of environmentally friendly products, as a result of a significant increase in the export potential of the industry in 2020, the share of agriculture, forestry and fisheries in GDP amounted to 28.2%.

In the countryside, there is still hidden unemployment, migration of the population, especially rural youth, to other regions and abroad in search of work. The disadvantages of the rural economy can also be attributed to the still weak development of modern consumer and service services, homework, and directly in agricultural production - the slow pace of implementation of modern methods and techniques of agrochemistry and agrobiology. The desire of the villagers to open their own small business, and therefore to ensure demand, is sometimes hindered by the bureaucracy of individual local officials, inadmissible on their part red tape in solving certain issues of organizing entrepreneurial and other types of activity. This is partly why the state reserves the indisputable right not only to regulate, but also to provide, through the appropriate bodies and institutions, assistance and support of those measures and desires of the population that are aimed at progress, useful employment and the legal improvement of the material and spiritual standards of their lives. But, the main goal of the state today is a general improvement of the economy and the appearance of the village, which will allow not only to bring the standard of living in the countryside closer to urban conditions, but to make the village a true "breadwinner" of the country.

# The main directions of employment regulation and increase rural living standards

There is a relationship between employment, which brings a person a certain income, and the standard of living. The more income received by useful work, legal employment and occupation, the correspondingly higher the standard of living and well-being of people, and vice versa. People living and working in rural areas are no exception in this regard.

If the standard of living depends on employment in labor (work) and income (wages), then employment depends on the demand for an employee in the labor market. The higher the qualifications and professionalism of the employee, the more chances he has of being in demand, and vice versa. True, the exception here may be pensioners and people equated to them who do not engage in labor activity, but receive the necessary funds from the state in the form of pensions, scholarships and various benefits established by law.

In developed countries with a market economy, the state does not leave the labor market entirely at the mercy of the elements. Along with market mechanisms, there is also a mechanism of state regulation, since the market itself is not able to solve all the problems of employment and human development. Uzbekistan does not stand aside from global positive processes. Moreover, unlike other states, the leadership of the republic is striving not only to more actively solve employment problems, but also to create a mechanism in the countryside that would enable every farmer to work freely, independently dispose of the results of his labor, and provide for the needs of his family.

Forecasted indicators of creation of 457 127 new permanent jobs in 2021, forecasted indicators of services provided by labor authorities to ensure employment and benefits of 489 064 people, by allocating from 0.1 to 1 hectare of agricultural land for agriculture; approval of forecast indicators to increase income and employment of the population.

At the same time, by July 1, 2021, an electronic program for recording employment and job creation will be developed, monitoring them in real time using a single integrated database of information resources of the State Tax Committee.

The most important area of employment, which has justified itself in practice, remains the involvement of the rural population in various forms of home work, the expansion of handicrafts and folk crafts, the stimulation of family entrepreneurship, entrepreneurial activity and self-employment.

By creating new jobs, the state seeks not only to increase the level of employment in the economy, but also to release and attract to industrial labor the surplus labor available in agriculture. To this end, the production and social infrastructure is being developed in the countryside, communications, consumer and service networks are being created. The existing investments are also being developed in favor of the village, and the necessary material, design and construction base is being formed.

Given the impact of the global pandemic in 2020 and the negative impact on the socio-economic development of the country, a new program to promote employment and income in 2021, employment of the unemployed, especially youth and women, the entry of graduates into the labor market. favorable conditions for attracting those in need to work, as well as promoting enterprises that create new jobs.

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