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DEVELOPMENT OF THE INFRASTRUCTURE OF RURAL LABOR MARKET IN UZBEKISTAN

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Abstract: The demand for labor force in villages of Uzbekistan is developing in a very slow rate. The paper raises problems of employment in rural areas of the country. Measures to increase employment are suggested.

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The demand for labour force in villages of Uzbekistan is developing in a very slow rate. Still in rural areas of the country the significant pressure on the labor market in terms of supply is existing. It is well-known that labour market infrastructure plays essential role in overcoming gap between substantial labour supply and depressed labour demand. That is why nowadays the country needs a good organized and capable labour market infrastructure in rural regions.

The current infrastructure of rural labour market comprises state and nongovernmental public bodies and funds. These institutions through their services enhance contracting among employers and hired workers in rural areas of the country. The efficient infrastructure in labour market must adjust the relations between rural employer and workers on a complex matters including rural labour remuneration, working terms and conditions, preparation and upbringing courses for workers, as well as protection of the rights of the employers and hired workers. At the present, provision of sufficient employment opportunities to population living in rural areas is one of the main problems in contemporary rural economy of the country. Labour market infrastructure services could be described as the one lacking higher level of integration, mobilization and coordination.

In Uzbekistan, as in many other developing countries experiencing rural market reforms, it is necessary to solve a number of the tasks connected with development of an infrastructure and efficient regulation of a labour market. These tasks in particular include the following: definition of development criteria and indicators for the labour market infrastructure; maintenance of efficiency in delivery of public employment service services; creation of nongovernmental employment service agencies; improving regional information systems of a labour market; and others. In general, there is an urgent need to develop program defining directions and policies of comprehensive development of labour market infrastructure in rural areas.

There are some conditions that affect development of rural market of labor and slow down the demand for labor force. The educational level of unemployed in rural area is lower than in cities. The population in rural areas does not have the same conditions as the one in cities. The professional level of teachers, quality of teaching and equipment supply in village schools are not the same as in city schools. According to the research of 2008 in Kashkadarya region of Uzbekistan the unemployed people registered in employment public services differ in terms of education school graduation. People with higher education

consist of 18.4% in rural regions and 28.2% in cities. People with completed secondary school education compose 18.4% in rural regions and 14% in cities.

Obviously, the efficiency of employment public services is not sufficient. On that account, the number of unemployed registered in employment public services are essentially low in comparison with the actual size of workers seeking for labour. Considering this suggests implementing measures of strengthening of institutional capacity of employment service structures. It is assumed that learning advanced international experience and implementing relevant tools and policies will be of great gain in this regard.

Unemployment level is not only caused by lack of new work places. The structural discrepancy between labour demand and labour supply is also another important factor that keeps people unemployed. In this facet, we can take example from rural areas of Kashkadarya region where enterprises have vacancies in conditions of high unemployment level. Demand of farmers in the rural areas consists of more than 20 thousand people. There are number of reasons behind this situation on rural labour market. Among them - a discrepancy between demand on and supply of qualifications, the territorial discrepancy in availability of jobs for people in a specific locality. Also, low remuneration of labour in agriculture, irregularity of its payment make people indifferent to available job opportunities. They often come to conclusion that it is better to be listed unemployed than be employed under such conditions.

The abovementioned says that infrastructure of rural labour market should be developed to achieve sufficient capacity and capability to match labour supply and demand in rural areas of the country. Such infrastructure must be integrated with economic and employment policy framework of central government and local authorities. Efficient use of information must end up with implementing transparent and phased employment generation policies. There is no doubt that basic condition to increase employment both in short- and long-term horizons in rural areas requires promoting the diversification of agricultural production in each region, with greater heterogeneity in job opportunities on side of local entrepreneurs.

Expanding small businesses is considered as important policy, feeling the gap between labour supply and labour demand. During years of transition to market reforms the number of people employed in small business and private enterprises increased about twofold and now it consists of around 400 thousands. Nowadays more than 75% of

population in our country is connected with this activity. However, more specific focus in small business development is demanded to make absorption of rural labour sizable. In this context, the Asian Development Bank in its country strategy notes crucial the development of nonfarm small firms. The report says that expanding rural nonfarm private sector can enhance prospects for employment generation and increased incomes in rural areas, accelerate growth in agriculture as well.¹

Developing transportation infrastructure also plays important factor for provision of labour mobility for rural workers. So, sophisticated transportation networks within regions and among regions should remarkably contribute to decreasing unemployed in rural areas.

Another prospective direction of increasing labor demand is developing various public-private partnership programs. Rural communities could be involved in provision of different public services. It is rather new policy direction even on international domain. However, there is a growing belief that public-private partnership tools can be powerful factor of boosting labour demand in rural sector.

It is assumed that employment targeting rural infrastructure institutions - employment services, information and training centers, educational structures, special centers of local authorities and non-governmental organizations, etc. - should be integrated through some unified informational networking channels. Intensive information sharing and consultations among different stakeholders will optimize policy-making and business decisions. In this way

In conclusion, we should resume that developing infrastructure of rural labour market keeps a great potential in decreasing unemployment, optimizing the matching process between supply and demand in rural labour markers.

¹ Asian Development Bank, Country Strategy and Program, Uzbekistan (2006-2010)