

"Causes Of Unemployment in the Modern Economy and Ways to Eliminate it"

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Annotation: This article analyzes the causes, factors, and measures to combat unemployment, which is one of the most pressing issues in each country, and how important they are.

Keywords: Economy, unemployment, employment, frictional unemployment, structural unemployment, natural unemployment, cyclical unemployment, seasonal unemployment, seasonal unemployment, hidden unemployment, dislocation, liquidity.

There are many current economic problems in the world today. One such problem is unemployment. Unemployment is a part of the economically active, able-bodied population is unable to find a decent job and becomes the labor force.

Unemployment is one of the most important problems not only in small countries, but also in large ones.

Today, one of the main challenges facing the world is in one development of socio-economic, political reforms and measures to prevent unemployment. Unemployment in the world is an important indicator of economic development. Based on this economic indicator, we can draw conclusions about the country's prosperity, its place in the ranking of development among the countries of the world.

Unfortunately, in the modern world, there are absolutely no countries with zero percent unemployment. The higher the unemployment rate in a country, the faster crime increases and the purchasing power of the state's population decreases.

(Figure 1)

Countries	Unemployment rate%
Bosnia and Herzegovina	32.62%
Angola	31.80%
JAR	29.10%
Jordan	19.00%
Libya	17.30%
Macedonia	16.60%
Greece	16.40%

The High Unemployment Rate Of 7 States In 2020-2021 Year.

The highest unemployment rate in the world is in Bosnia and Herzegovina - 32.62%. Most experts point out that the main reason for unemployment in this country is the signing of a free trade agreement with the European Union . As a result, most businesses in the country went bankrupt and people lost their jobs.

Unemployment is high in South Africa due to weak labor demand and lack of education. Greece's unemployment rate peaked due to the 2008 crisis, which it has yet to recover from wrong regulation of the labor market, job cuts, crisis and unstable economic situation.

Unemployment is a major economic situation that directly affects the interests of the people and the macroeconomic stability of the country. One of the main causes of unemployment is technical development, automation of social production, poor organization of the economic system. With the development of scientific technology, labor productivity increases and labor costs decrease. In other words, 10-15 people used to work for the production of one product, but now the work of so many workers is done by one automated machine. As a result, instead of 15 people, artificial intelligence will start working. Now the demand for qualified personnel to manage these mechanisms will increase and the unskilled will not be important anymore. As a result, they become unemployed and lead to stratification of the population across the country.

(Figure 2)

Countries	Unemployment rate%
Singapore	2.30%
Kuwait	2.17%
Vietnam	2.15%
Myanmar	1.60%
Belarus	0.20%
Cambodia	0.10%
Qatar	0.10%

The 7 countries with the lowest unemployment rates in the world.

Qatar has the lowest unemployment rate in the world. The state achieved such results at the expense of revenues from the sale of oil and gas. By actively exporting black gold and gas, Qatar is actively developing its economy and creating many new jobs.

The low unemployment rate in Cambodia explained by the active development of tourism and light industry.

Unemployment has dropped significantly in Belarus due to the introduction of a so-called “parasitic tax”.

Myanmar is also an economically developed country. Myanmar is a country rich in minerals (gold, oil, wood, tungsten), which exports it to the world market in very large volumes.

Surprisingly, Vietnam is also among the top 10 countries with the lowest unemployment rates. The secret of Vietnam lies precisely in the trade unions that manage the labor market very carefully.

Nature of its manifestation and the reasons for its emergence: frictional, structural, natural, cyclical, seasonal and hidden unemployment.

Frictional unemployment is voluntary unemployment, in which workers are temporarily unemployed for various reasons, such as change of residence, change of job, change of profession.

Structural unemployment occurs when changes are made in an enterprise, when modern, automated robotics are introduced, when workers in the old network have not yet been able to master the profession needed for the modern network.

Natural unemployment is frictional and structural unemployment, which to some extent exists in all countries, regardless of any state of economic development. Accordingly, frictional and structural unemployment together constitute a natural rate of unemployment.

Cyclical unemployment is a period of decline in production when an economic crisis occurs in a particular country or region. Cyclical unemployment is associated with economic hardship and occurs as a result of declining production. This is forced unemployment.

Seasonal unemployment is, when workers who work in seasonal jobs are temporarily unemployed until the end of the season and again before the start of the season. An example of this is vegetable farmers.

Hidden unemployment is the only partial employment of those who are officially employed. It includes those who have a reduced working day and week those who are on unpaid leave due to lack of work.

In today's economic era, unemployment is manifested in the form of a decrease in labor demand from supply to it. Unemployment affects not only every unemployed person, but the entire state. Rising unemployment in the country leads to various negative consequences:

- reduction of tax revenues from individuals, increase in the amount and number of unemployment benefits, leads to a reduction in GDP;

- With unemployment, purchasing power is significantly reduced, i.e., a decline in production is observed.
- Human will increase and most citizens will start to become poorer. As a result, development in a country with a poor population decreases and the state also becomes poorer;
- the state restricts liquidity, the majority of the population is unemployed, so the state begins to produce less cash;
- labor mobility is limited;
- Social dislocation, stratification of the population, the mutual respect of citizen decrease, and various conflicts and disputes escalate throughout the country.

Another reason for the rise in unemployment is the pandemic. The spread of the Covid-19 pandemic around the world has exacerbated economic crises in many countries. This was also a major factor in the rise in unemployment. Take the United States as an example. As a result of Covid-19, the number of unemployed in the United States in the first quarter of 2020 approached 40 million, and the number of unemployed applications exceeded 39 million. This figure is much higher than during the Great Depression. ¹These figures show that in January and February 2020, about 5 million people lost their jobs in China, 4.3 million in the Russian Federation and 373,000 in Germany.

In Uzbekistan, in January-June 2020, the unemployment rate rose to 13.2%, and the number of unemployed increased to 1.94 million people. This figure was 9.1 % in the first half of 2019. The number of people in need of employment reached 1.94 million. The unemployment rate between the ages of 16 and 30 was 20.1%, while among women it was 17.4%. In 2020, the number of labor resources increased by 0.6% compared to the same period in 2019 and amounted to 19 million people. Due to the negative effects of Covid-19, the number of employed fell by 5% to 12.7 million. Today, the unemployment rate in Uzbekistan is 9.4%, which is 1.7% less than last year. At the end of the second quarter of 2021, the number of labor resources amounted to 19.3 million people, an increase of 1.1% or 201.4 thousand people compared to last year. The number of people employed in the economy increased by 3.1% (403.9 thousand people) compared to the previous year, reaching 13.6 million people.

As of January 1, 2022, the unemployment rate in Uzbekistan amounted to 9.6%, having decreased by 0.9% compared to the same period last year, and increased by 0.2% compared to January-September 2021. According to the Ministry of Employment and Labor, as of January 1, 2022, the number of labor resources amounted to 19.3 million people, an increase of 1.1% or 202.6 thousand people compared to the same period in 2020. The number ²of people employed in the economy amounted to 13.5 million people, an increase of 2.3% (299.3 thousand people) over the same period last year.

As of January 1, 2022, the number of people employed in the official sector amounted to 6.1 million people, an increase of 6.3% or 314.8 thousand people compared to the same period in 2020.

The number of people employed in the informal sector amounted to 5.8 million people, a decrease of 1.0% or 58.4 thousand people compared to October 1, 2021.

According to the study, the total number of people in need of employment was 1.4 million, and the unemployment rate among the economically active population was 9.6 percent. The unemployment rate among those aged 16-30 was 15.1 per cent, while the unemployment rate among women was 13.3 per cent.

, 879.5 thousand people applied to the district (city) employment centers for help in finding a job. 393.8 thousand citizens were employed.

Conclusion

Today, the following methods are used to reduce unemployment:

- Improving labor market information. In other words, informing the unemployed about the availability of vacancies. In all countries, this task is performed by labor exchanges ;
- FIGHT AGAINST CORRUPTION:

¹The Great Depression - In 1929, Hoover won the US presidential election. In U.S. history, the Hoover era has been called the Black Years. Because the crisis, which began in 1929, caused the economic collapse of the most developed country, starting with the US and this economic crisis called the "Great Depression" in history.

²<https://mehnat.uz/uz/news/uzbekistonda-ishlik-darazhasi-96-foizni-tashkil-etdi->

- CREATING NEW JOBS;
- INTRODUCTION OF VOCATIONAL RETRAINING AND RETRAINING PROGRAMS;
- LIMITATION OF THE TERM OF PAYMENT OF UNEMPLOYMENT BENEFITS;
- DEVELOPMENT OF THE ECONOMY THROUGH PRODUCTION ACTIVITIES;
- INTRODUCTION OF PROTECTION OF LABOR RIGHTS OF EMPLOYEES;
- ENCOURAGEMENT OF PRIVATE ENTREPRENEURSHIP;
- ENSURING OF SELF-EMPLOYMENT.

In order to eliminate unemployment in the countries, it is necessary to do first eliminate the scourge of corruption. Corruption is the root cause of the country's economic crisis. Successful anti-corruption policies in the country will have a positive impact on the country's economic situation and reduce unemployment.

Second, we need to pay more attention to the education system. It is expedient to consider the development of the education system, the provision of cheap and quality education.

Third, the development of additional measures for the development of entrepreneurship in the country. To do this, implement tax incentives for entrepreneurs who have created new jobs, stimulate labor demand in enterprises, build a new system based on the experience of advanced countries in the employment of the unemployed in the labor market. It is expedient to improve the system of self-employment.

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