



STATE SUPPORT MEASURES OF JOB CREATION IN THE AGRO-INDUSTRIAL COMPLEX OF UZBEKISTAN

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Abstract:

The article examines the creation of jobs in the agriculture of Uzbekistan, employment in agriculture, and the impact on poverty reduction, since 80% of the low-income population of Uzbekistan live in rural areas. Measures of state support for creating jobs in the agro-industrial complex of Uzbekistan are being considered.

Keywords: agricultural sector, employment, state policy, government spending, industry, investment, food processing, agricultural labor.

INTRODUCTION

Job creation is one of the most important economic and social tasks in Uzbekistan. Agriculture offers many job opportunities in the country, but these jobs are often considered unattractive and are projected to decline amid changes occurring around the world. The coronavirus outbreak has forced a new look at the value of jobs in the agricultural sector, which has proven more resilient to the economic fallout of the outbreak than tourism, services and construction. Modern analysts believe that it is necessary to take a new and more positive look at job creation in agriculture in Uzbekistan. The value of farm jobs is broader than just the number of jobs. Employment in agriculture has a much stronger impact on poverty reduction than any other employment, since 80% of the poor in Uzbekistan live in rural areas.

Employment in this sector is also more inclusive for the employment of rural women and youth, since jobs are created in close proximity to their place of residence, as well as for small-scale farmer farms that have already accumulated extensive experience in the field of horticulture and livestock. If the factors of production, i.e. If land, labor and capital could move freely to more productive and profitable activities than currently exist in Uzbekistan, agricultural jobs would generate income comparable to or even greater than that of other non-agricultural sectors. Productive

employment in agriculture contributes to increased food security and nutrition, and plays a critical role in increasing the profitability of the food and light industries, which further stimulates the creation of more productive jobs, including for former rural workers seeking non-farm employment.

MATERIAL AND METHODS

Current employment in the agricultural sector is at 4.2 million, representing 30% of total employment, and has the potential for further expansion. In 2019, agriculture accounted for 27% of total employment, while food processing, light manufacturing and catering combined added just 3%. Government policies and investments could help increase employment in the agricultural sector by 19-32 percentage points in 2030 compared to 2019, which would create 0.7 to 1.3 million additional jobs annually, of which there would be more which is enough to employ 600 thousand people annually entering the labor market of Uzbekistan (due to demographic growth). Future jobs in the agricultural sector can not only increase in quantity, but also become better in quality. In particular, horticulture has the potential to create more productive and sustainable jobs through its strong competitive advantages and market opportunities. These jobs will also be inclusive, with employment opportunities for women and youth not only in Tashkent and other large cities, but also in



rural areas and small towns. Such jobs will play an important role in increasing incomes and lifting rural people out of poverty, and will also help the entire agricultural sector strengthen food security and support economic growth through strong spillovers in the regional and agricultural economy. The example agricultural employment forecast presented above is based on two important assumptions. The first and main assumption is that the already begun transfer of agricultural land from growing cotton and wheat to growing more labor-intensive and more profitable products will continue.

RESULTS

In 2030, the area under cotton and wheat will decline from the current 65% of irrigated land to 45%, as an example. This shift is expected to increase the quantity (700,000 more by 2030) and quality of jobs in agriculture. On the other hand, without this step, employment in agriculture will most likely decline. Future reductions in the area under cotton and wheat do not mean that there will be a decline in overall production of these crops, which are important for food security and have strong spillover benefits from job creation in food processing and cotton processing. Reductions in planted area should (and can) be offset by increases in cotton and wheat yields and overall farm productivity, which is the second important assumption in assessing employment prospects. The level of implementation of modern technologies, including digital and information technologies, is low today, which indicates opportunities for agriculture in Uzbekistan to increase profitability through their implementation and thereby increase the demand for labor.

DISCUSSION

With strong links between agriculture and processing, more productive agriculture will help create more jobs in the food and light industries. These agro-industrial sectors will benefit from increased volumes of raw materials at lower prices and freed-up agricultural labor to work in processing industries. According to the presented employment forecasts, by 2030 the need for labor resources in the food and light industry will increase by 640 thousand people, which will create the majority of new jobs in the processing of fruits and vegetables, meat, dairy products, feed production, as well as the production of finished goods, textiles and clothing. Many of these employment opportunities will be available to women living in rural areas and small towns. Creating agribusiness employment opportunities that are economically viable, sustainable and contribute to rural household income will require government support.

Jobs are mainly created by the private sector, and the government should help the private sector create more jobs. The capital-intensive, public sector-led growth of the past has failed to create jobs. The old model must give way to inclusive economic growth led by the private sector, which will be more labor intensive and benefit from an enabling environment created by the state. Uzbekistan has already begun the transition to such a new growth model, but it needs to be complemented by further improvements in the favorable investment environment for private sector operations and higher investments in targeted government programs to increase employment in the agro-industrial complex.

State support measures for job creation in the agro-industrial complex of Uzbekistan

	Agriculture	Food industry	Light industry
Promoting economic growth in response to consumer demand through:			
State policy	<ul style="list-style-type: none"> - Phase out the crop placement system, create a land rental market and protect farmland users - Refusal of the system of setting selling prices for agricultural products below market prices 	<ul style="list-style-type: none"> - Improving the investment climate and increasing competition, including through privatization 	<ul style="list-style-type: none"> Protection of the rights of farmers of cotton-textile clusters and private investments of cluster owners - Complete elimination of the use of forced labor in cotton production to end the boycott of Uzbek cotton by global retailers - Support the implementation of labor protection requirements/standards in textile



	- Continuation of the recently adopted export policy and increased competitiveness		mills and GAP/BCI in cotton production to meet the requirements of international markets
Government spending -	Supporting the implementation of GAP on farms to improve their productivity and protect the environment through investments in infrastructure and agricultural knowledge and innovation systems - Investment in infrastructure to support digital adoption - Improving the skills of farmers through information and consulting services	Stimulating investment in small towns - Support for production partnerships between farmers and processors (clusters) - Support in the field of retraining and advanced training of workers -Strengthening public and private sector capacity to promote marketing, labeling and food safety	Incentivize and support investment in higher value textiles and apparel in small towns - Support in the field of retraining and advanced training of workers
	- Strengthening the capacity of the public and private sectors on sanitary and phytosanitary measures and food safety		

The Table lists possible government support measures for creating jobs in the agro-industrial complex of Uzbekistan. These include steps shown separately for agriculture, food processing and light industry to: a) promote economic growth in response to consumer demand through public policy and investment; b) increasing women's participation in employment; c) improving economic opportunities for farmer farms and small enterprises. Some of these steps are already being taken as part of the implementation of the Agricultural Development Strategy, but some are still missing, as shown in the table.

CONCLUSION

In order to create more sustainable jobs in Uzbekistan, the next steps should be aimed at the high-quality implementation of current and at the beginning of the implementation of measures that have not yet

been started/missing. Entering more sophisticated markets will require Uzbekistan to completely abandon the use of forced labor in the cotton harvest. This should be helped by the cessation of the state cotton order system in 2020, and the role of the state will be to monitor and enforce legislation. A complete end to the use of forced labor will ultimately end the boycott of Uzbek cotton by global retailers.

ACKNOWLEDGEMENT

The role of the state is also to further integrate women and smallholders and move them into formal employment. Increasing government investment in improving vocational education and developing market-relevant skills among rural residents. Particular attention should be paid to improving the skills of women and youth through specialized training and internships, as within the framework of the project



"Development of rural enterprises in the Fergana Valley".

Improving farmers' access to affordable financial resources beyond credit for cotton and wheat production will be critical to accelerating agricultural growth. Since land cannot be used as collateral and most farmers do not have the primary means to secure collateral, alternative financial products need to be developed. Innovative alternatives could include agricultural receipts and warehouse receipts to help farmers without fixed assets obtain the finance needed to raise loans.

Encouraging women to enter the workforce requires public investment and services such as kindergartens, which are scarce in rural areas and small towns. World experience shows that the development of secondary cities is crucial for creating jobs among the rural population. This is especially important for women who cannot travel far or move to another place. Women are especially attracted to jobs in light industry, production and processing of fruits and vegetables.

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