

## **FINANCIAL AND ECONOMIC MECHANISM FOR INCREASING THE EFFICIENCY OF LABOR MARKET INFRASTRUCTURE DEVELOPMENT**

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### **ABSTRACT**

*This article examines the elements of the financial and economic mechanism of labor market infrastructure development, the formation and use of financial resources, the relationship between financial functions and financial methods.*

**Keywords:** *labor market, infrastructure, employment policy, vocational training, financial and economic mechanism, labor force, unemployment, regulation, planning.*

### **АННОТАЦИЯ**

*В статье исследуются элементы финансово-экономического механизма развития инфраструктуры рынка труда, формирование и использование финансовых ресурсов, взаимосвязь финансовых функций и финансовых методов.*

**Ключевые слова:** *рынок труда, инфраструктура, политика занятости, профессиональное обучение, финансово-экономический механизм, рабочая сила, безработица, регулирование, планирование.*

### **INTRODUCTION**

The effectiveness of the state employment policy in the labor market largely depends on the results of the effective use of elements of the financial and economic mechanism of the functions of financing the labor market. One of the most important tools for achieving socio-economic stability and eliminating unemployment is the formation of financial resources in the labor market and the regulation of the labor market.[1]

The financial and economic mechanism of labor market regulation is formed through the interaction between the elements of its components. The essence, composition and procedure of this mechanism are still the subject of debate in both domestic and foreign literature. Thus, the subject of this study has not been studied in detail, taking into account the financial and economic mechanism of labor market

regulation, its transformation. Therefore, in the general context, we do not consider it expedient to consider in this case the debate on the financial mechanism of regulating the supply and demand for labor in the labor market.

### **LITERATURE REVIEW:**

1. Abdurahmonov K.Kh. Labor economics (textbook). -T .: - «Labor» - 2009. - 512 p.

This textbook examines the most important criterion of the quality of the labor market, the level of development of its infrastructure, the socio-economic nature of the labor market infrastructure, the elements of its components, the main tasks and functions. There is also a need to organize and regulate the processes and policies of employment through the financial and economic mechanism of the labor market, various economic instruments and methods, legal norms.

2. Pavlovska E.V. Work market regulation: financial and economic mechanism. Author's abstract of diss. doc. econ. science. - Kiev: NANU. 2002. -S.46.

In this study, the elements of the financial and economic mechanism of labor market regulation, tasks and functions, sources of formation and use of financial resources, as well as the financial functions of the financial system in the system of financial and economic management of the labor market and employment.

3. Kholmuminov Sh.R., Arabov N.U. Labor market infrastructure. Study guide. -T .: “Science and technology”, 2016. pp. 150-155.

The textbook provides a scientific and theoretical analysis of the interdependence of the labor market infrastructure and its components, as well as a comprehensive assessment of the effectiveness of its development and forecasting, as well as employment with state and non-state employment. Also, a strategic concept has been developed to improve the organizational and economic mechanism of labor market regulation and increase the efficiency of labor market infrastructure development.

4. Smirnov S. Methods of assessment of state employment policy // Questions of statistics. - 1998. -N2 4. - C. 29-34.

This article describes the main directions, goals and objectives of the state employment policy, methods and indicators for assessing the state employment policy, the mechanism of employment and incentives for employment, effective measures to increase the population through effective employment.

## **RESEARCH METHODOLOGY**

In the process of research, a dialectical and systematic approach to the study of economic systems and ratios to determine the elements of the financial and economic mechanism of labor market infrastructure development and their interrelationship, complex assessment, comparative and statistical analysis, comparative and comparative analysis, the need to use optimal methods of assessment was justified.

The main elements of the financial and economic mechanism of labor market regulation are the payment of wages for all hired workers, the cost of social protection against unemployment, the creation of new jobs, vocational guidance and retraining of the unemployed.

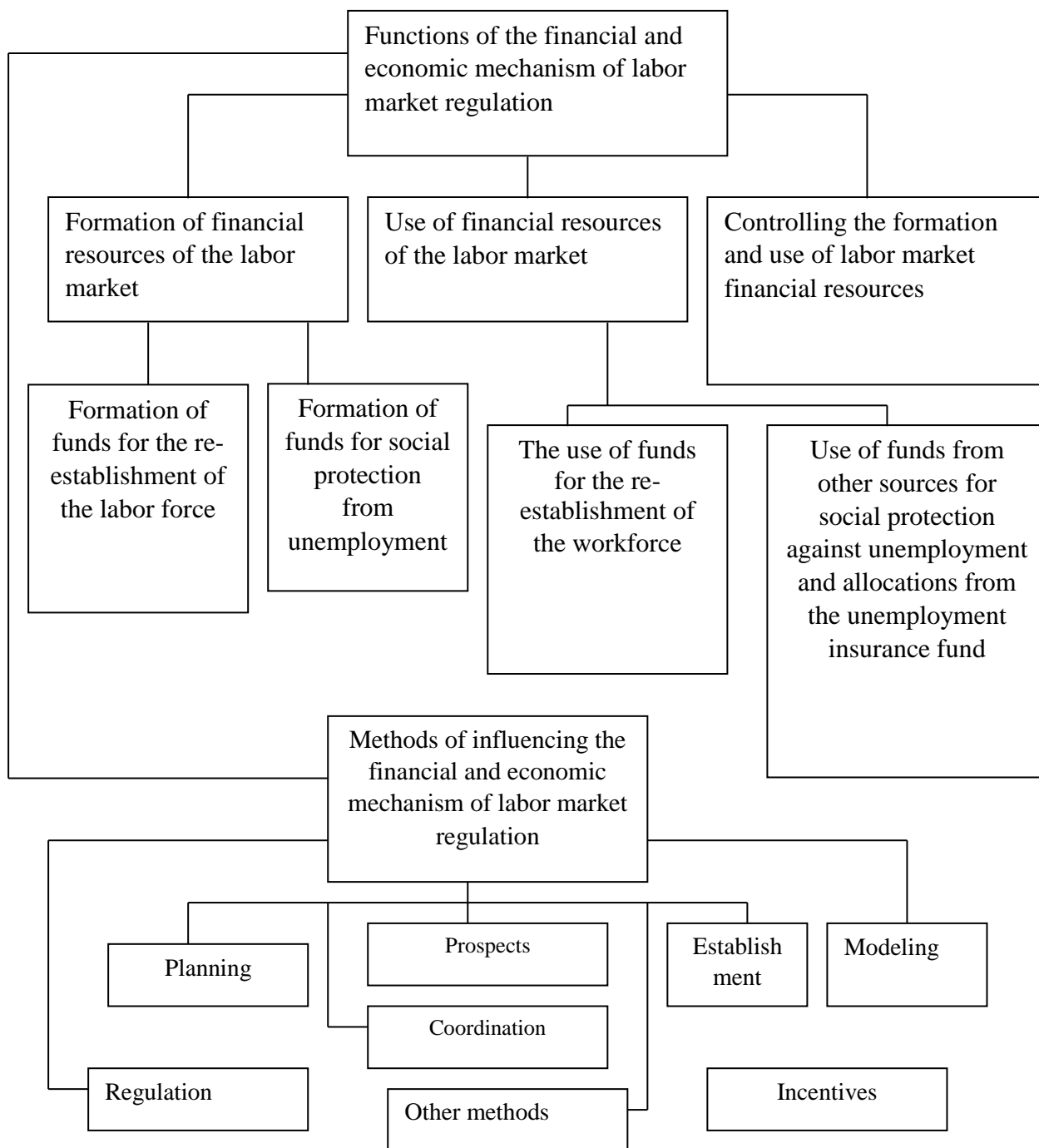
## **ANALYSIS AND RESULTS**

Elements of the financial and economic mechanism of labor market regulation are interdependent and interrelated. The main criteria for determining the allocations to the unemployment insurance fund are the wages of workers and the cost of payment for the work of economic entities. At the same time, employment policy measures (vocational training, retraining, skills development, vocational guidance, entrepreneurship and involvement of the unemployed in community work, etc.) are implemented at the expense of the unemployment insurance fund. As a result of these measures, the unemployed and other groups of the population who are not engaged in other work will be relocated to independent or additional jobs. Due to this, the cost of paying employees in labor activity increases.

In our opinion, the main task of the financial and economic mechanism of labor market regulation is to ensure the process of formation and use of financial resources in the labor market and to control these processes (Figure 1).

In the financial and economic mechanism of labor market regulation, financial functions are applied as the formation and use and control of financial resources of the labor market. The main methods of this mechanism are the planning, forecasting, organization, regulation, coordination, incentives and others of the financial resources of the labor market.

The system of management of employment and financing of the labor market, that is, the financial mechanism of regulation of the labor market, aimed at the formation of financial relations and the rational management of the movement of financial resources.



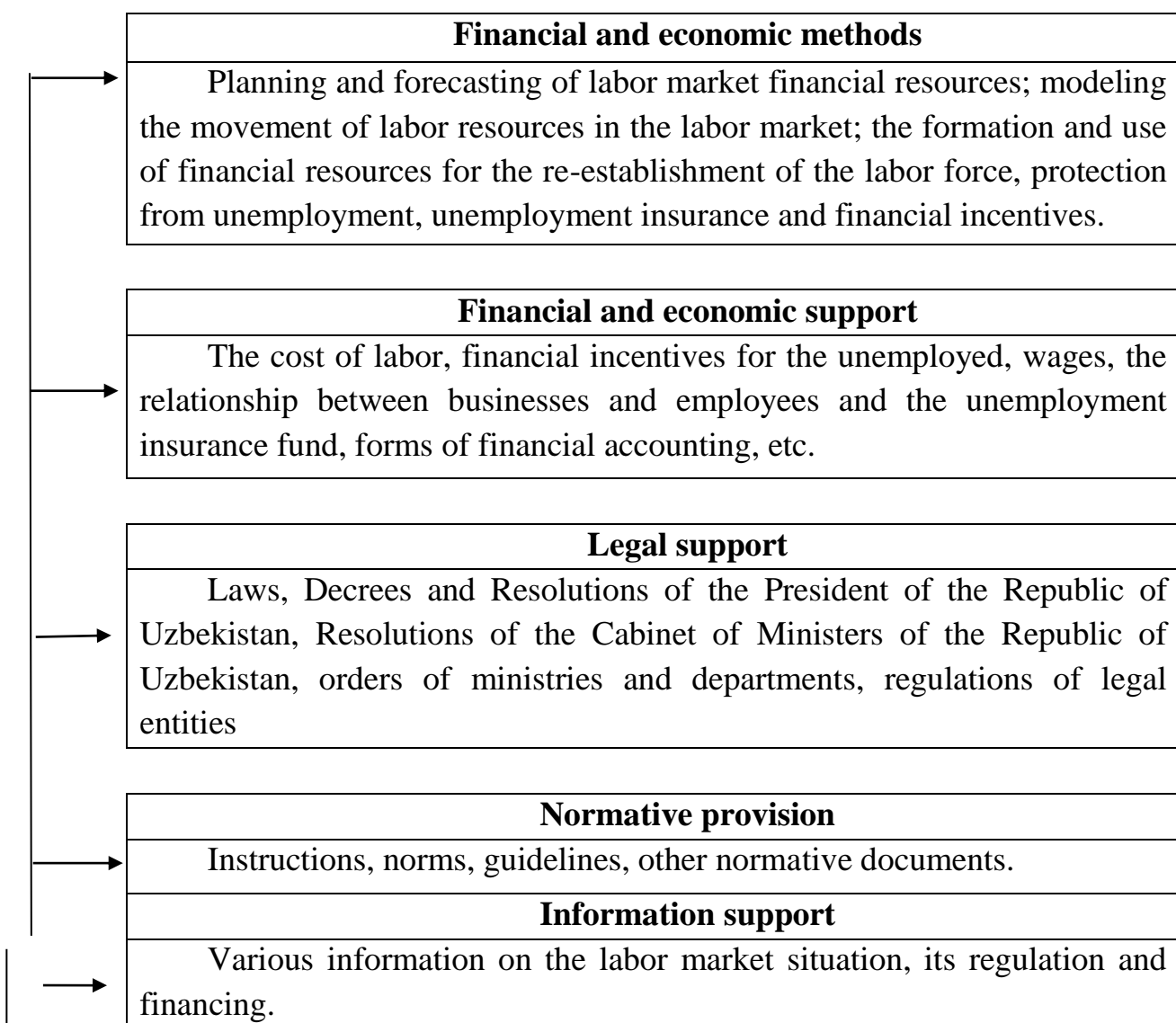
**Figure 1. Interrelation of financial functions and financial methods in the system of financial and economic management of the labor market and employment \***

\* Compiled by the author.

In the financial and economic mechanism of labor market regulation, the process of financial and economic management and the formation of the socio-

economic system is quite complex. The management of the labor potential of the country, the financial and economic regulation of the labor market in the state system is carried out on the basis of financial methods and levers. The main role in solving these problems is to use block elements as the organization and motivation, planning and forecasting of effective use of labor resources in the labor market.

The financial and economic mechanism of regulation of the labor market is a system of financial and economic methods, techniques, levers of management of financial support of employment policy measures in the labor market in accordance with the legal, regulatory and information support.



**Figure 2. Financial and economic mechanism of labor market regulation \***

\* Compiled by the author.

The elements and components of the financial and economic mechanism of labor market regulation are illustrated in Figure 1 below.

In order to implement the policy of financial regulation in the labor market, the cost of labor (state, territory, spheres of activity, the total number of employees of economic entities and the individual of each employee), the quality of employers and employees, as well as the number of employees special financial and economic levers should be introduced. The functioning of the financial and economic mechanism of labor market regulation can be carried out in terms of total legal, regulatory and information support.

Legal support of the financial and economic mechanism of labor market regulation is carried out with the support of the Laws of the Republic of Uzbekistan, Presidential Decrees and Resolutions, Resolutions of the Cabinet of Ministers of the Republic of Uzbekistan, orders of ministries and departments, legal entities. Guidelines, guidelines, guidelines, guidelines and recommendations, as well as other documents. The information supply consists of various information (periodic reports, operational and other analytical data) on the labor market situation, its regulation and financial support.

It should be noted that the current system of financing the labor market is based on social protection from unemployment by the state and is valid for a year. Therefore, the system needs to be reformed due to the fact that its legal, regulatory and information support is not perfect, in particular, it is not clear from a regulatory and methodological point of view and the information support is insufficient.

The main goal of the step in using the financial and economic mechanism of labor market regulation is to achieve the financial stability of the above simplified system of description and the maximum interdependence of all its elements.

The main task of the financial and economic mechanism of labor market regulation is to ensure the formation of its financial resources in the optimal amount and rational use. In the general financial regime of the basis of financial resources, money, savings and receipts are formed, which are used to meet certain social needs and pay wages.

Funds allocated for the re-establishment of the labor force on the basis of financial resources of the labor market (wages and others) and special funds for social protection against unemployment and employment policy (unemployment insurance).

In our opinion, in order to use the funds of the State Fund for Employment and the implementation of the state policy on employment, to create new enterprises for enterprises that are experiencing temporary financial difficulties, to provide new

loans in various forms of ownership. is an important tool in increasing demand. Also, the financial provision of vocational training for the unemployed at the expense of these funds will create conditions for the formation of a skilled labor market in the country and, as a result, the development of labor market infrastructure.

The State Fund for Employment in the Republic is an extra-budgetary fund, and unemployment insurance is managed by the state. At the same time, the representative bodies of entrepreneurs and employees actively cooperate with government agencies that manage social assistance funds for the unemployed.

The relatively initial part of the financial resources of the labor market for the re-establishment of the labor force is the wage bill. According to the current system of legislation, this fund is formed independently in each of them, taking into account the specifics of the financial and economic activities of economic entities [3].

The issue of expanding the rights of enterprises, especially in the field of wages, has a special place in the regulation and control of government agencies. Our research shows that in most enterprises the formation of the salary fund is carried out according to the old trends, as a result of which the regular amount of the salary fund takes into account the real needs of enterprises. Due to the restructuring of operating costs, the increase in the reserve of the salary fund and structural and technological changes are not taken into account.

The increase in the level of regular expenditures based on the payment of wages should facilitate the development of a normative and methodological aspect of ensuring the planning of the wage fund with the support of state research institutions.

In our opinion, such normative and methodological support is based on comparable normative costs per unit of output, the number of employees and standards of service, the norm of working hours, etc. At the same time, the basic normative indicators of cost planning can include a minimum consumer basket.

It is known that according to the Constitution of the Republic of Uzbekistan, the minimum wage should not be less than the subsistence minimum. In our opinion, it is expedient to reconsider this standard through legislation, taking into account not only the national level, but also the individual regional characteristics of the main goods and consumer goods. Establishment of such standards will increase the level of justification of regular payments, restore the purchasing power of wages and on this basis to form the optimal size of the unemployment insurance fund.

The second part of the financial resources of the labor market is the state social insurance fund, which is used for unemployment insurance, and other financial sources.

Unemployment protection is an important institution of the state social insurance fund. Unemployment insurance is a financial relationship, which is a relative regulation of various aspects of financial relations.

The financial and economic mechanism of labor market regulation and employment is a relative balance between the re-establishment of the labor force in the labor market, the implementation of active and passive employment policies in accordance with financial resources, and the provision of funds and their use. This is achieved with the help of financial and economic methods and levers in the use of all the components of the financial and economic mechanism of labor market regulation [2].

Financial and economic methods are a means of influencing the process of financial and economic relations in the labor market. Such methods have an impact in two ways: first, by controlling the flow of financial resources; consists of. The financial and economic methods of the labor market, which are implemented through financial levers, provide employment to the population, form the State Fund and use it.

All elements of the financial and economic mechanism of labor market regulation are aimed at performing the main functions of financial support of the labor market as measures such as planning, forecasting, organization, regulation, coordination, incentives, control. Financial and economic planning is a complex of measures related to the future implementation of social and economic functions of the labor market, ie employment. includes supervision.

Prospects in the financial and economic mechanism of labor market regulation - is the development of long-term prospects for the volume and measures to finance active and passive employment policy. At the same time, it is necessary to take into account timely and complete changes in the financial condition of the labor market. It is necessary to anticipate the subtleties of the labor market, to apply it in the process of anticipation and perception of new scientific methods, to accelerate the development of events in relation to employment, to accelerate the development of the market.

Despite the importance for the development of market relations in the field of labor market reform, the conceptual framework for such reform has not yet been developed. Theoretical, methodological and scientific-practical mechanisms for reforming the financial security of the labor market have not been identified. At the same time, the issues of social protection and financing from unemployment remain controversial.



Therefore, it is necessary to develop and improve the conceptual framework for reforming the financial security of the labor market.

## **CONCLUSION**

In our opinion, in the future, it is necessary to purposefully implement the following conceptual foundations of labor market reform:

- Ensuring social and economic feasibility of the size of contributions to the State Employment Fund of employees of enterprises and organizations;

- Expansion of contributions to the State Employment Fund not only for work, but also for other types of income (income from entrepreneurial activity, income from participation in profits, other labor income);

- scientifically grounded increase in the share of labor contributions to the State Employment Fund;

- It is known from the practice of developed countries that the promotion of voluntary insurance along with national compulsory insurance against unemployment;

- Improvement of planning and forecasting of financial resources of the labor market from top to bottom on a unified theoretical and methodological basis. Implementation of process modeling in the labor market;

- Eliminating the loss of financial resources due to the mismatch of supply and demand in ensuring the maximum suitability of the workforce in terms of qualifications;

- the use of modern methods of vocational guidance and quality control of graduates of higher educational institutions to eliminate the excessive loss of financial resources during the search for work by specialists with non-competitive professions in the labor market;

- improving the theoretical and methodological base for the formation and use of financial resources as an integral system of financial support for the labor market;

- a systematic increase in wages and operating expenses at enterprises due to the modernization of modern sectors of the economy;

- expansion of non-traditional sources of financing for the implementation of state employment policy;

- Optimization of wage costs as the basis for the formation of the State Employment Fund and the main source of restructuring of labor resources and a systematic increase in all types of incomes of citizens.

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