

UNEMPLOYMENT AND THE LABOR MARKET UNDER THE INFLUENCE OF THE DIGITAL ECONOMY

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Annotation: The article discusses the main indicators of employment in the labor market, prospects for the transformation of employment in the context of the transition to a digital economy. The main current problems in the labor market and the factors that will lead to changes in the future are identified. It is noted that a decrease in the number of economically active population will entail a decrease in supply in the labor market.

Keywords: digital economy, digitalization, labor market, employment, employment and unemployment rates, labor productivity, information and communication sphere.

Introduction. Once upon a time in the past, our ancestors dreamed of mechanization, automation and, of course, new technological implementations, they really wanted to improve the quality of life, as well as simplify hard work and increase wages. In the 21st century, their dream comes true and even more, scientific and technological progress is growing more and more, we can say that we are close to a qualitative breakthrough.

In recent years, our scientific dictionary has become richer with new international words, such as the Internet, e-government, online, know-how, information and communication technologies, computer technologies. Today, new phrases are especially important for humanity - digital television, digital library, digital economy. In general, if we say it in the most simplified way, then digitalization is the process of introducing computer technologies and the Internet into all spheres of our lives. Digitalization is moving countries in the world towards the nearest path of development.

If we talk about artificial intelligence or know-how, electronic money transfers or technological innovations, this is very modern and high-quality. But there is something that worries scientists and economists. Innovations have entered our lives in a continuous stream, and these social consequences of the introduction of new technologies are sometimes severe. For example, previously, new work was found for those who lost their jobs, now the situation is much more difficult. Firstly, new technologies are being introduced simultaneously and very quickly in many areas. For example, we are surrounded by robotic cash registers in many supermarkets, in developed countries, cars with autopilots are already driving on ordinary roads. This means that very soon millions of cashiers and drivers will be left without work. Already today, accountants, lawyers, office workers are regularly fired en masse in the largest banks of developed and developing countries, since robots can easily work instead of them. Another example, former McDonald's CEO Ed Rensi said in an interview with the American Fox TV channel: it is easier for a company to buy a robot for \$35,000 that will make hamburgers and French fries than to hire a person, train him, and pay him \$15 an hour [1]

Secondly, the problem is that the disappearance of old jobs today is not accompanied by the emergence of new ones - thousands of jobs simply disappear. Information technology is very

easy to scale.

Unfortunately, mass unemployment is inevitable here. And it can cover the society of developed countries much earlier than skeptics currently assume. Everyone knows how quickly mobile phones spread, they then quickly acquired cameras and full access to the Internet. Experts believe that robotization will begin to destroy jobs en masse in the coming years. And also, the speed of technological change is increasing so quickly that many of us do not have time to keep up with the times. Today, smart machines compete with people, they win in the eyes of the employer. Economists are concerned: will artificial intelligence cause mass unemployment? Here it is necessary to assess the impact of the digital economy on the development of labor resources not only at the level of specific regions or countries, but in general on the international market, taking into account migration processes. But it is worth noting that artificial intelligence does not affect the level of mass unemployment, but at least in the coming years. In the table below we can see this, it is worth noting that "smart cities" are in the last rows in terms of unemployment.

Table 1. Unemployment rate in some countries of the world

№	Страна	%	№	Страна	%
1.	Nauru	90	16.	Ukraine	9,2
2.	Turkmenistan	70	17.	Turkiya	8,1
3.	Mozambique	60	18.	Uzbekistan	8
4.	Namibia	51,2	19.	Finland	7,9
5.	Kenya	42	20.	Great Britain	7,7
6.	Afghanistan	36	21.	USA	7,4
7.	Macedonia	28,8	22.	Canada	7,2
8.	Greece	27,4	23.	Argentina	7,1
9.	Cyprus	17,3	24.	Germany	5,3
10.	Egypt	13,2	25.	Russia	5,2
11.	Mongolia	12,2	26.	China	4,1
12.	Italy	12	27.	Japan	3,9
13.	European Union	11,1	28.	South Korea	2,9
14.	France	11	29.	Singapore	1,9
15.	Saudi Arabia	10,8	30.	Thailand	0,5

Scientists and skeptics, analysts talk a lot about the fact that very soon a person can be replaced by a machine, but work for a person will remain where he can work better than a machine. Here we agree that the main thing is still the development of human capital, but it should also be noted that in this case the key problem will be the quality of education, changes in the labor market, etc. Innovative education affects the quality of university graduates, and the innovative economy also threatens unemployment, like the digital one. Innovations not only reduce the need for certain professions, they change entire markets. According to our forecasts, very soon (2018-2025) a critical mass of specialists will accumulate who are not needed by the market, but who have diplomas from prestigious universities in fashionable specialties at the time of admission. At the same time, the number of qualified people who will not be able to adapt to changes on their own will grow. Changes in the labor market are a clear example of the impact of digital technologies on our lives.

Overcoming the shortage of personnel and low unemployment should be ensured in two ways: firstly, for new personnel, this is a radical change in curricula, their maximum adaptation to the individual abilities of the student. Secondly, for people with qualifications, a retraining system is needed to work in the digital economy.

The tasks that we have to solve are formulated quite clearly:

1. It is necessary to form an adequate system of professional competencies in terms of knowledge and skills in information and communication technologies for all types of professions and specialties;

2. Taking into account the constant changes and development of ICT, this system must be made as flexible as possible, "self-adjusting";
3. It is necessary to build a system of continuous retraining of the teaching staff.

For the system to work, the new approach to training must change at all levels of the educational process. General digital literacy should become the basis, on which a system of applied practical classes should be built. There is a need for close integration with market-leading companies, which should formulate needs, define a set of competencies, provide opportunities for internships, and provide feedback on the quality of training of specialists [2].

In the regions, flagship universities can become a kind of conductor of new educational trends in the digital era. In particular, in Uzbekistan there are universities such as TUIT, Turin, Inha, etc. They are tasked with changing the educational infrastructure and creating a new learning environment where formal and informal education will be integrated, as well as potential employers and future specialists will be brought closer together. Specialists must be constantly ready for change.

It is imperative to introduce the competencies that students need to be given, first of all, these are innovative skills and thinking. There should be internships abroad, lectures in English so that students can integrate into the international economic environment. It should be emphasized that previously the need to "reboot" the education system arose once every 20-30 years, but now a mechanism is needed to update it every two to three years.

Nowadays, modernization of anything leads to a thorough shake-up of the labor market. Demand for some professions increases, while others almost die out, being replaced by new ones. The scale of the transformations still does not provide a clear answer to the question: how to overcome unemployment if entire industries begin to die out?

The main thing is to understand the place of a person in the economy of the future, to develop the actions of labor market players in relation to a person whose role and place in the labor process are radically changing. And first of all, this will require a completely different regulation, the emergence of more flexible legislation. Due to the introduction of the digital economy, it is necessary to make changes not only to the Labor Code, but also to by-laws on labor law issues. A major breakthrough would be legislative changes that allow for the automation of personnel records management, the transfer of the work book, employment contract and many other documents to electronic form. As a result, a lot of time would be freed up for both HR specialists and employees.

Recently, many new employment formats have appeared: flexible, remote, self-employment, freelance. All these formats need reasonable regulation in order, on the one hand, to provide people with social guarantees, and on the other, not to push them to move into the shadow zone.

In our republic, before the introduction of the digital economy, there are some problems that must be solved. At the prevailing initial stage of structural reorganization of the economy, the local level of the labor market prevails. This is due to the low territorial mobility of the population, the low standard of living of the majority of its members, the high cost of transportation expenses, and the lack of a developed housing market. In these conditions, it is extremely difficult to balance the demand and supply of labor within specific localities, which leads to quite sharp differences in the unemployment rate. The regional level of the labor market in Uzbekistan is represented, first of all, by the subjects of the regions. Such subjects have not only a territorial economic character, a regional system of population settlement, but also the appropriate governing bodies for the implementation of their own regional policy in the sphere of the labor market, including employment of the population. Compared with other regions, this economic region has the most contrasting specialization. And also by the level of economic development, the peculiarities of its transformation, population settlement, and the availability of personnel [3].

Employment characterizes various forms of participation of the working population in public activities with the receipt of corresponding income. The labor market is formed under the influence of factors determining the demand and supply of labor. Factors of labor supply include

the demographic situation, the gender and age structure of the population, the dynamics of the working-age, employed, unemployed population, internal and external migration, the level of education, etc. Factors of labor demand are determined by the dynamics of economic growth, the introduction of new enterprises, sectoral and territorial development, measures of fiscal, monetary, investment policy, etc. The features of the transition period and the demographic situation determined the model of employment policy in Uzbekistan: a model of rapid response to a high level of labor supply. To relieve tension in the labor market, the state annually develops and implements Programs for the creation of jobs and ensuring employment. However, the administrative nature of their implementation, which is expressed in the creation of “gross” jobs “at any cost” without due attention to their sustainability, as well as the lack of specific mechanisms for providing benefits, subsidies, and sources of funding for job creation projects, leads to an unsystematic solution to employment problems [4].

Table 2.

Challenges in the field of employment and the consequences of their impact on the economy of Uzbekistan [5]

<i>Risks and problems of labor market development in Uzbekistan</i>	<i>The most likely consequences for the economy and prospects for increasing its competitiveness</i>
Significant excess of labor supply over demand	Rising unemployment (especially youth and women) and social problems. Maintaining a high level of labor migration (including young people with higher and secondary specialized education)
Low efficiency of new jobs created in the small private business sector	A lack of technological progress negatively affects the efficiency of revenue generation, ultimately diminishing the government's ability to finance social development initiatives
High proportion of people employed in the informal sector of the economy	Weak prospects for sustainable long-term economic growth, increasing macroeconomic imbalances (cash circulation, foreign exchange transactions, etc.), preservation of technological backwardness, worsening crime situation
Significant lag in the level of efficiency of labor resources compared to the leading developing countries of the world	High levels of labor productivity are associated with high competitiveness of the economy and its attractiveness to foreign investors. Maintaining the current gap will worsen Uzbekistan's position in the competition for foreign investment.
Lagging dynamics of labor productivity growth relative to real wage growth	The growth of population income is one of the main factors stimulating aggregate demand and, accordingly, the rate of economic growth. However, sustainable growth of competitiveness is impossible in conditions where the rate of wage growth exceeds the growth of labor productivity. In such a situation, along with the undermining of competitiveness, inflation risks increase, since the demand for goods and services begins to outpace their supply.

Lack of financial resources (private and public) for the purpose of creating new jobs	In the absence of a stable demand for jobs in the non-resource sector of the economy, the state distributes available investments into the resource sectors (oil and gas, primary processing of mineral resources), which are attractive to foreign investors, but which do not solve the problems of effective employment of the working population and the growth of the competitiveness of the national economy.
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According to our research, unemployment is a natural phenomenon, as stated in neoclassical theory. This theory was developed in the works of A. Samuelson, M. Feldstein, R. Hall, D. Gilder, A. Laffer and others. All of them considered the labor market as a heterogeneous and extremely dynamic system, subject to internal laws of self-development. The main regulator of this system, in their opinion, is the price mechanism.

In Uzbekistan, in the coming years, it will be time to think about the introduction of a digital economy, as a wave of innovations comes from countries around the world ready to implement investments in the form of innovations. Therefore, drawing a conclusion, we must very quickly learn innovations, have innovative thinking, teach and prepare children from an early age for new professions, be ready for changes in science and technology.

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