



Opportunities to Increase Employment with Work in Free Economic Zones

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Annotation: This article examines the opportunities to improve people's living standards and employment through the development of economic zones. Recommendations for the use of the algorithm for determining the required number of jobs in free economic zones have been put forward.

Keywords: investments, global crisis, free economic zone, forecasting, new jobs, poverty reduction, innovative economy.

Enter:

In the developed countries of the world, innovative instruments that serve to increase the volume, quality, and efficiency of investments are widely used. But in 2020, due to the spread of the coronavirus in the world, the pandemic situation had a significant impact on the economy of many developed and developing countries. In 2020, the flow of global direct investment decreased by 35% to 1 trillion dollars. Last year, this indicator was equal to 1.5 trillion dollars. Measures against the COVID-19 pandemic have slowed down the investment projects that have started. In developed countries, direct investment has decreased by 58%, while in developing countries this indicator has decreased by an average of 8% [1, 2.]

At this point, it should be recognized that in order to mitigate the negative impact of such negative consequences on the economic sectors of our republic, the Decree of the President of the Republic of Uzbekistan dated March 19, 2020 "On priority measures to mitigate the negative impact of the coronavirus pandemic and global crisis on economic sectors" No. 5969 was adopted. In accordance with the decree, a number of measures aimed at stabilizing the macroeconomic balance were determined.

At this point, it should be recognized that in order to prevent the loss of many jobs and the increase in the number of unemployed during the pandemic and the subsequent period, the free economic system should be used to eliminate a number of problems related to the wide involvement of the population in entrepreneurship in providing employment, ensuring the cooperation of household entities with medium and large businesses. Free economic zones have a special place. The fact that practical and scientific research on improving the standard of living and ensuring employment of people through the development of economic zones in the regions is not sufficiently conducted based on the requirements of the socially oriented digital market economy increases the relevance of this topic.

Analysis of scientific literature.

In the action strategy of the development of the Republic of Uzbekistan, in order to reduce state participation in the economy, protect the right of private property and further strengthen its priority position, to continue institutional and structural reforms aimed at stimulating the development of



small business and private entrepreneurship, further expansion of privatization of state property and simplification of its procedures, economy It is determined to reduce state participation in the charter funds of operating entities, to create favorable conditions for the development of private entrepreneurship on the basis of state-owned privatized objects [2,11b.]

According to Academician K.Kh. Abdurakhmanov, "When making a decision on investment, the investor spends today in order to get more income in the future. Of course, there is a certain level of risk in investment income (because no one can predict the future period for sure), but given that they are future income, they can also coincide with an economically favorable period. Therefore, the investor should compare the value of the investment he wants to make now with the income he can get in the future" [3, p. 212].

According to Sh.I. Mustafaqulov, "The free economic zone is also the image of the country. Free economic zones serve to liberalize a country, even if they function poorly. A free economic zone is a social project in any country, in any part of it. The creation of the region not only brings additional income for the region, but also provides useful returns for the whole country in various forms" [4, 86 p.] In this regard, in the following years, a strong legislative and regulatory framework was created in our country to regulate the activities of free economic and small industrial zones, and a large-scale system of tax and customs benefits and preferences was formed to help attract foreign and domestic investments for their development. Today, 23 free economic zones and 348 small industrial zones are operating in Uzbekistan. 453 projects with a total value of 2.6 billion dollars have been implemented in free economic zones and about 36 thousand jobs have been created. In small industrial zones, 1,497 projects worth 5 trillion soums have been launched, providing employment to more than 36,000 people [5].

The main part

In his address to the Oliy Majlis for 2021, the President of the Republic of Uzbekistan Sh. Mirziyoev said, "In the new year, the ultimate goal of economic reforms will be to reduce poverty and increase the welfare of the population. These strategic goals are achieved through high economic growth that creates the most opportunity for all. In the last 4 years, serious steps have been taken to introduce market mechanisms to all aspects of our economy. The task now is to create a foundation for long-term sustainable growth through deep structural reforms," he said [6]. In order to attract investments to the regions of the Republic of Uzbekistan, it is necessary to increase the effectiveness of the activity of free economic zones in order to develop production in the regions and improve the standard of living of the population. At the same time, it is appropriate to eliminate the problems of employment and unemployment at the expense of the organization of free economic zones, to research the socio-economic mechanisms of ensuring employment. Currently, 21 free economic zones and more than 100 small industrial zones are operating in Uzbekistan. 12 SEZs were established in the industrial sector, 7 in the pharmaceutical sector, 1 in the agricultural sector, and 1 in the tourism, touristic sector. 62 projects with a total value of 46 million dollars were implemented in the free economic zones "Navoi", "Angren", "Jizzakh", "Urgut", "Gijduvon", "Ko'kan" and "Khazorasp", more than 4 thousand 600 jobs were created. In assessing the current state of investment attraction and its effectiveness, increasing investments in the economy and using modern methods of improving the skills of the workforce were considered the main tasks. Specific characteristics of a particular region should be taken into account in order to fully assess the factors that influence the targeting of attracting investments. Among them are the customs, national mentality, faith and other features of the selected region. The size of differences in different regions, socio-economic development, distribution and location of labor resources, infrastructure facilities, natural raw material reserves, favorable geographical location and availability of other conditions.



The wide attraction of investments in the regions ensures the growth of employment of the population through the creation of new jobs. Here we pay attention to the activity of special industrial zones in our country. Decree No. PF-4516 of the President of the Republic of Uzbekistan dated March 18, 2013 on the establishment of the special industrial zone "Jizzakh" was adopted, and 363.7 hectares of land were allocated from the city of Jizzakh, Jizzakh region, and 150 hectares from Sirdarya district, Syrdaryo region. In the territory of the "Jizzakh" special industrial zone, the total cost is 264.1 mln. US dollars, of which 165.5 mln. A total of 25 projects have been approved as US dollar foreign investments, 7 of which will be established in the Syrdarya branch. 207.3 million in Jizzakh and Zomin-farm SEZs by the end of 2020. Work was carried out on 25 projects with a value equal to US dollars, 3710 new jobs were created, 65.3% of them are employed by young people.

A number of scientists, including V.E. We have developed an algorithm for determining the required number of jobs in free economic zones in the Jizzakh region, using the "Algorithm for predicting the development of the population of the region and determining the required number of jobs" put forward by Gimpelson, Yu.A. Korchagin and others and based on the conducted research. (Figure 1)

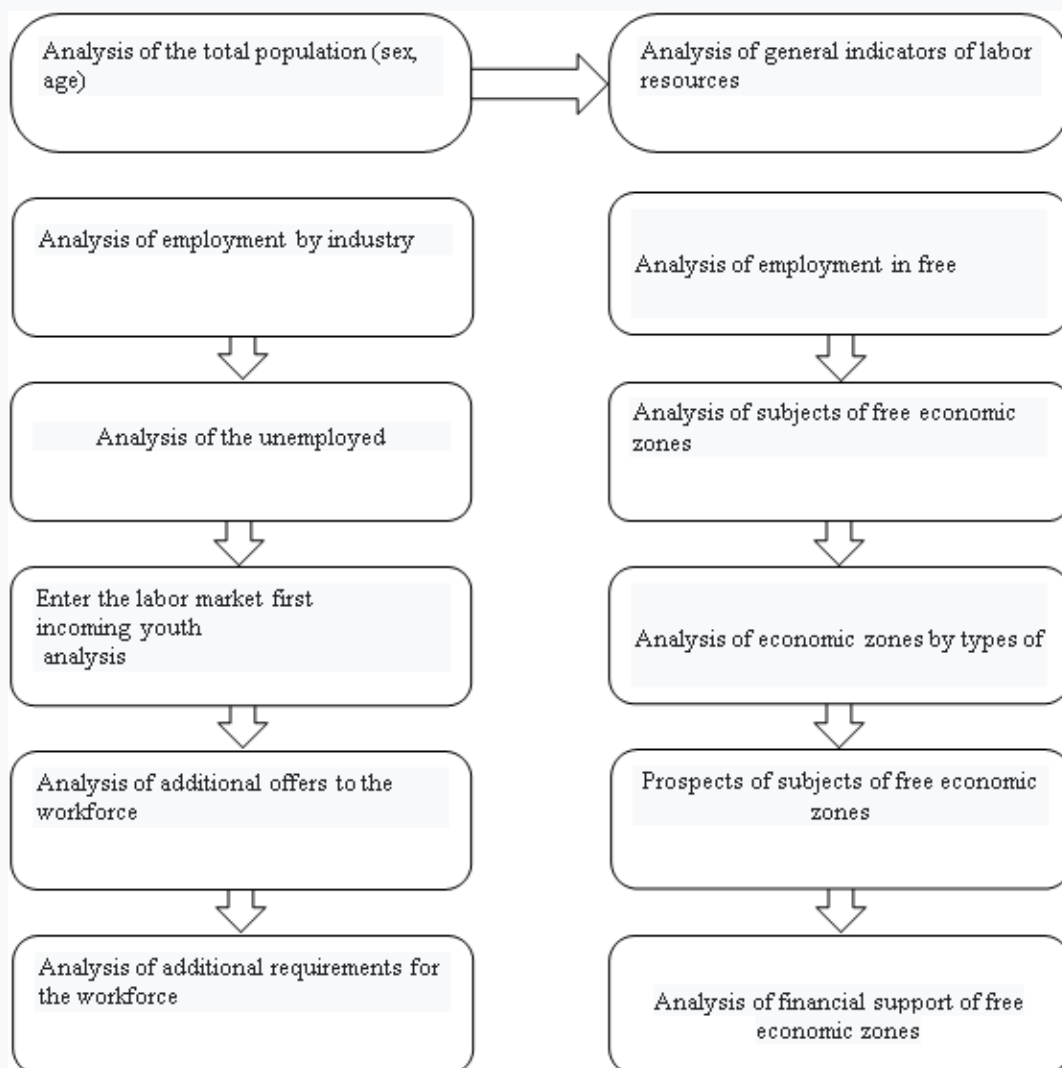


Figure 1. Algorithm for predicting the development of the population of Jizzakh region and determining the required number of jobs in free economic zones.



Using this algorithm, it is possible to predict the possibilities of setting up the necessary activities of workplaces in the free economic zones of Jizzakh region. Including, industrial production in the region is machine building, electromechanics, batteries, ore mining, building materials, cotton ginning, spinning, knitting, furniture making, oil, milk, flour products, meat and sausage, processing of fruit and vegetable products, juice a number of industries can be established, such as reprocessing of beverages. Development of small business activities can be achieved by creating a business environment, especially in the fields of industrial construction, processing of agricultural products, and tourism. In addition, it is necessary to establish the banking system in the mountainous regions of the region, including Bakhmal, Yangiabad, Forish, Gallaorol districts. For example, entrepreneurs use banking services by traveling long distances due to the lack of banking facilities nearby. In the development of this system, the demand of business representatives for financial services can be satisfied by establishing the activity of mini banks or by properly establishing remote banking services, for example, mobile banking, internet banking, etc.

According to UN data, 45.5% of the population of the countries of the world, that is, more than 3 billion people, is the labor force. According to the ranking of the working population in the world, Uzbekistan is listed in 35th place (about 18 million). Currently, the employed population in Uzbekistan is 12.2 million people [7]. Labor activity in the innovative economy is distinguished by the following features:

- innovative and investment environment in production, highly efficient workplace system, innovative organization of the production process;
- intellectualization of work. According to the statistics service of the Organization for Economic Cooperation and Development, at present, almost 65% of employed employees in developed countries are engaged in intellectual work;
- innovative type of employee - creativity, initiative, activity, responsibility, teamwork skills, flexibility, mobility, mental stability, etc.

Summary

Thanks to the economic reforms implemented in our country, the potential of its regions has increased, management structures have improved, and as a result, conditions have been created for the expansion of economic zones in the regions. It is desirable to form innovative methods of labor regulation in these zones, to increase the flexibility of regulation, to ensure its selectivity, to improve the strategic directions aimed at achieving the complexity of regulatory measures based on the priority of economic aspects.

World experience shows that it is necessary to take into account that free economic zones are economic tools, and the promotion of population employment largely depends on the skills of the workforce [8].

When creating new jobs in economic zones, it is important to focus on their value and to compare them with employment efficiency. The value of one new job created is different according to the directions of providing employment to the population, and expensive new jobs correspond to the direction of high-tech facilities. This proves that the use of innovative methods of providing employment to the population in economic zones is effective.

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