



## Inclusive Prospects of the Labor Market in a New Uzbekistan

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**Abstract:** This article covers practical privileges in employment assistance of persons with disabilities, career development, employment, and vocational training. In Research, the activities of 156 units of enterprises under the societies of persons with disabilities have been studied, and deep analyses were conducted on the condition of the enterprises, the usage of existing opportunities, and the level of demand for manufactured products. Recommendations have been elaborated to improve the financial condition of such enterprises, to properly reconstruct the buildings, to update the equipment, to increase the production capacity of goods, to find new customers for manufactured products, to create new jobs for persons with disabilities and to improve the conditions of their labor.

**Key words:** persons with disabilities, societies of persons with disabilities, society-owned enterprises, production, employment, jobs.

### Introduction

The presence of persons with disabilities in the structure of the labor force of any country is an important aspect of the evidence that this country has a developed civil society, adheres to the principles of non-discrimination in labor, and presence of corporate social responsibility.

According to the Law of the Republic of Uzbekistan dated October 15, 2020 LRU-641 “On the Rights of Persons with Disabilities”, a disabled person can work in organizations with normal working conditions, at specialized enterprises, in workshops, and at sites that use the labor of disabled people, self-employed labor that is not prohibited by the law, as well as they have a right to carry out other activities.

According to the World Health Organization, today more than 1 billion people in the world suffer from a disability. This is approximately 15% of the world's population. Due to the increase in chronic diseases and old age, their number is increasing<sup>1</sup>.

There are enough people with disabilities in Uzbekistan. Helping people with disabilities in finding jobs and the problems of inequality in society remain more relevant than ever.

More than 821 thousand persons with disabilities are officially registered in Uzbekistan, 63% of them live in rural areas, and 43% are women. 135 thousand disabled people are children under 16 years old, 666.3 thousand are people over 16 years old, more than 218 thousand people are pensioners<sup>2</sup>.

The study of the labor and employment of persons with disabilities is a very relevant topic in modern science and management, and it often addresses issues of social adaptation and integration, effective

<sup>1</sup> “Ногиронлик тўғрисидаги жаҳон ҳисоботи”, Жаҳон соғлиқни сақлаш ташкилоти, <[http://www.who.int/disabilities/world\\_report/en/](http://www.who.int/disabilities/world_report/en/)>.

<sup>2</sup> Ўзбекистон Республикаси Бандлик ва меҳнат муносабатлари вазирлигининг ногиронлиги бўлган шахслар тўғрисида маълумоти. 2022 йил.

incentives for employers, employment of this category of workers, also the problems of labor organization.

### **Research Methodology**

The study mainly collected statistical data on persons with disabilities. Statistical data on persons with disabilities were analyzed by regions, disability groups, age, and gender, place of residence (rural or urban). To date, in the context of regions, the status of employment of disabled people (officially employed) has been determined.

The study revealed stereotypes and factors hindering the employment of people with disabilities in our country.

In the conditions of Uzbekistan, about 20 million labor resources,

It has over 15 million economically active population and an unemployment rate of 9.4% (1.4 million people). In addition, about 600-700 thousand graduates of general education, secondary and higher educational institutions enter the labor market every year, and the presence of about 2 million labor migrants indicates that employers have a high choice when hiring.

Certainly, employers prioritize hiring highly productive employees over people with disabilities.

Under such conditions, the introduction of new financial mechanisms to support employers (private businesses) in promoting the employment of people with disabilities, the development of preferential tax and microcredit programs, the analysis and improvement of the activities of specialized enterprises for people with disabilities, and the creation of social enterprises in the regions, the preparation of proposals is set as the main goal in the development programs.

### **Analyses and results**

To date, more than 292.2 thousand people with disabilities have the opportunity to perform certain types of work, and according to information received from the program complex called "Unified National Labor System", 62.2 thousand people are employed in permanent jobs. This figure is 18% of the total number of able-bodied disabled people.

People with disabilities are almost 4 times less likely to find a job than people without disabilities. At the same time, only 5.8% of disabled people in rural areas are employed, and the situation of disabled women is much worse than that of men: only 4.4% of women and 8.9% of men are employed.

The above figures show that support for the employment of persons with disabilities is organized inefficiently. Unfortunately, the adopted laws and regulations regarding the employment of disabled people are implemented inefficiently in practice.

In recent years, effective tools have been introduced in the labor market to support the employment of people with disabilities.

However, there is insufficient information about these programs among employers and persons with disabilities, and the level of use of the programs remains low.

For example, "at enterprises, institutions and organizations with more than 20 employees, local governments determine and reserve the minimum number of jobs for disabled people in the amount of at least three percent of the number of employees." However, in practice, the 3% quota for persons with disabilities does not work effectively.

According to the data of the Ministry of Labor by district (city) khokims on job quotas at enterprises in 2021 With the allocation of 9100 jobs, only 1200 disabled people were employed. In 2022, 11.3 thousand jobs were allocated, of which 1.9 thousand people with disabilities were employed<sup>3</sup>.

Of course, the adaptation of jobs for people with disabilities in the open labor market may entail additional costs, especially for small and medium-sized businesses. Therefore, a subsidy has been

<sup>3</sup> Information from the Ministry of Employment and Labor Relations of the Republic of Uzbekistan. 2022

established to cover the costs of business entities that adapt their workplaces and conditions for the disabled.

Although there are a number of benefits and preferences to encourage inclusive employment, most employers are not aware of them.

For example, Article 337 of the Tax Code provides for a reduction in the tax rate for legal entities by more than 3 percent of the quota rate to 1 percent for every percent of employed disabled people.

In addition, from August 1, 2018, there are special benefits for business entities in which at least 30% of employees working under an employment contract are disabled, dependents under the age of 16 or disabled children, as well as other vulnerable people.

Decree of the President of the Republic of Uzbekistan No. PQ-4423 dated August 23, 2019, provides for a number of measures to stimulate enterprises of public associations of people with disabilities that provide employment for people with disabilities.

Among such measures, "in agreement with the Ministry of Finance, the goods of legal entities, the only participant of which are public associations of disabled people, the number of employees of which is at least 50% of the total number of employees with disabilities, and the only participant of which is at least 50% of the total fund wage fund for the disabled provide quotas for the purchase (of works, services)".

The implementation of legislation on public procurement of products produced by associations of disabled people is a good measure of state support and can serve as an effective mechanism to promote their employment. However, such enterprises face difficulties in selling their products.

Unfortunately, we still see people with disabilities as recipients of charitable and rehabilitation assistance, and not as potential employees of state organizations and the private sector.

When we analyze the causes:

there are still negative stereotypes and prejudices in our society, distrust of the work skills, abilities, and talents of people with disabilities on the part of employers, as well as widespread discrimination on the basis of disability in the open labor market;

in most cases, the corporate culture of employers is insufficient in terms of hiring and creating conditions for people with disabilities, as well as social protection;

Effective mechanisms of financial support for employers employing disabled people have not been created;

It can be seen that the system of vocational training for disabled people is not well established.

In the absence of an electronic register of able-bodied disabled people, in this case, socially responsible employers are not provided with sufficient information about the employment of suitable disabled people.

In order to analyze the financial, economic, technical, and technological state of enterprises owned by societies of the disabled, modernize them, increase the number of jobs for the disabled and improve their working conditions by identifying specific sources of local and foreign investment, 156 such enterprises were studied in the republic. According to research results, these enterprises employ a total of 1,606 people, of whom 1,204 are disabled. If you look at the breakdown of regions, then the largest number of enterprises falls in the cities of Fergana, Namangan, and Tashkent:

1. There are 34 enterprises in the Fergana region employing 147 people, including 82 people with disabilities.
2. There are 24 enterprises in Namangan region, which employ 243 people, including 131 disabled people.
3. Tashkent has 19 enterprises employing 190 people, including 122 people with disabilities.

In total, 2-3 such enterprises operate in Navoi, Syrdarya, Kashkadarya, and Khorezm regions.

According to the results of the study and analysis, there are the following main shortcomings in 156 societies of disabled people in the republic:

- almost all societies of disabled people do not fully use the available opportunities, despite the presence of large buildings, land, and other resources, only 10-15 percent of them are used;
- Buildings and structures are outdated and in need of repair;
- Production equipment and machines do not meet the requirements of the time at all, the service life has already passed;
- Most of the production equipment and machines are out of order and cannot be repaired;
- Equipment and machines used in production do not meet the requirements of the time;
- almost all enterprises have increased debt due to late payment of utilities such as hot water, gas, cold water, and electricity.

At the same time, it should be noted that although the above shortcomings have existed for years, no official organization has tried to eliminate them, and the enterprises themselves do not have the opportunity to do so. That is, they do not have enough funds and other means for this.

When analyzing the quality of products produced in societies with disabilities, the following problems are noticeable:

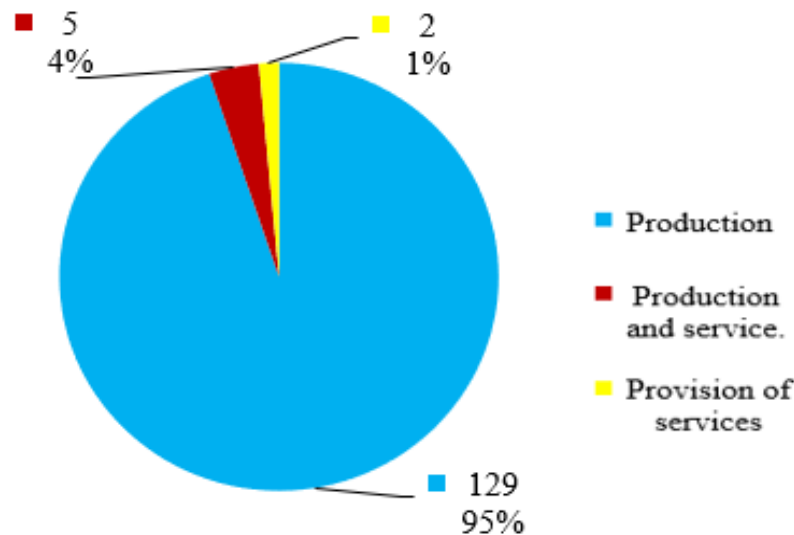
- 1) the manufactured products do not meet the requirements of the time, the assembled furniture is old-fashioned or made in a 10-year-old way, the manufactured products in the field of sewing and textiles are very simple and uncomplicated;
- 2) The range of goods is too small;
- 3) The manufactured products are marketable and unaffordable;
- 4) The system of the constant increase in the number of customers and products in accordance with market requirements has not been established.

402 healthy people and 1204 disabled people work in the societies of the disabled across the republic. The level of employees, the level of education, and a number of other issues related to personnel were studied. According to research:

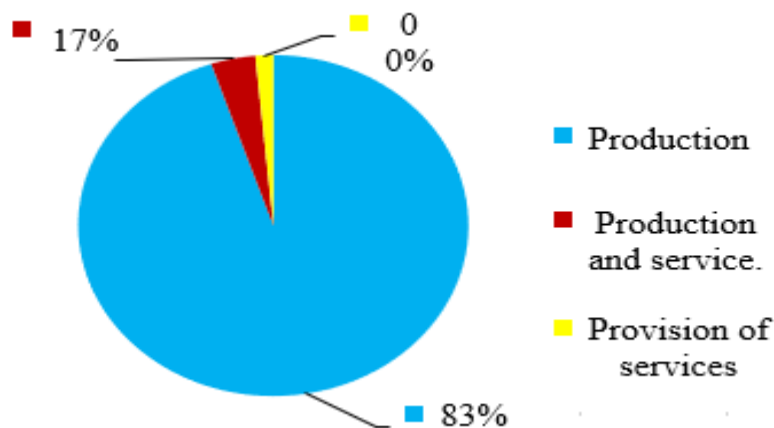
- ✓ that the qualifications of workers do not meet the required level, they mainly perform the same type and simple work, and do not have modern knowledge and skills;
- ✓ almost complete lack of conditions for rest and food for workers;
- ✓ it became known that issues such as the creation of additional facilities for those working remotely, for example, bus service, the provision of a hostel, have not been resolved.

The types of activities of associations of the disabled are analyzed. According to it, enterprises can be divided into the following groups depending on the type of activity:

1. Enterprises engaged in one type of activity:
  - a) Production;
  - b) Provision of services;
  - c) Production and service.
2. Enterprises carrying out two or more types of activities:
  - a) Production;
  - b) Production and service.



**Figure 1. Directions of activity of societies of disabled people engaged in one type of activity<sup>4</sup>**



**Figure 2. Areas of activity of associations of disabled people engaged in two or more types of activities<sup>5</sup>.**

According to research results, the share of enterprises engaged in production activities is more than 90%. The diagram above shows that the number of such enterprises in the country is 144. It is worth noting that 87.5% of this number, i.e. 126 people is employed in tailoring, production of textiles and textile products, and cotton processing enterprises. Therefore, it is necessary to pay special attention to this area when developing measures to improve these enterprises.

It is also worth noting that Namangan and Fergana regions remain the regions with the largest number of enterprises and areas of activity of enterprises compared to other regions, 14 out of 24 operating enterprises of Namangan region are tailoring, weaving, furniture production, beekeeping, handicrafts, construction and assembly works, poultry farming, public catering, computer services, ecological expertise service, cast iron production, pan bread production, production of school supplies (bag, penalty box), works in the production of gates. Also, in the Fergana region, there are 26 enterprises in 9 areas of sewing, weaving, construction and installation

<sup>4</sup> It was compiled by the authors based on the results of a study conducted by the Ministry of Employment and Labor Relations.

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works, traditional medicine, health education courses, home economics, needlework courses, confectionery production, and agriculture.

**Table 2. The number of associations of disabled people engaged in the same type of activity is exactly in the context of regions<sup>6</sup>.**

Business sector	Qoraqalpog'istan	Andijon	Buxora	Jizzakh	Navoi	Namangan	Samarqand	Sirdaryo	Surxondaryo	Toshkent region	Farg'ona	Xorazm	Qashqadaryo	Toshkent shahar
Production	6	15	5	9	1	14	12	3	2	11	28	3	2	18
Service	0	0	0	0	0	3	0	0	0	0	2	0	0	0
Production and service	0	0	0	1	0	0	0	0	0	0	1	0	0	0
Total	6	15	5	10	1	17	12	3	2	11	31	3	2	18

**Table 3. The number of associations of the disabled, engaged in two or more types of activities, is exactly in the context of regions<sup>7</sup>.**

Business sector	Qoraqalpog'istan	Andijon	Buxora	Jizzakh	Navoi	Namangan	Samarqand	Sirdaryo	Surxondaryo	Toshkent region	Farg'ona	Xorazm	Qashqadaryo	Toshkent shahar
Production	0	2	1	0	1	6	1	0	2	0	2	0	1	1
Service	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Production and service	0	0	1	0	0	1	0	0	0	0	1	0	0	0
Total	0	2	2	0	1	7	1	0	2	0	3	0	1	1

One of the most urgent and unresolved problems of social protection of people with disabilities is related to providing them with decent jobs and creating conditions for employment in an open, inclusive labor market.

In such a situation, the state needs to implement projects in social partnership with representatives of civil society, as well as ensure their inclusive work and promptly take measures to provide the necessary financial support.

### Conclusions and Recommendations

Based on the fact that inclusiveness and diversity in the workplace are not only one of the global trends, but also based on the importance of developing a socially oriented and responsible business,

<sup>6</sup> It was compiled by the authors based on the results of a study conducted by a working group established in the Ministry of Employment and Labor Relations.

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organizing effective employment for people with disabilities, financial support for employers for the employment of people with disabilities, recommendations proposed as follows:

first, introduce a system of subsidizing private business entities when hiring disabled people and a system of exempting disabled people hired by them from income tax;

second, information on the minimum number of jobs allocated for the employment of persons with disabilities, and information on the reservation of jobs by the employer will be reflected in real-time on the basis of the interdepartmental software and hardware complex "Unified National Labor System";

third, special short-term vocational training courses for persons with disabilities in all vocational schools, colleges, and technical schools of ministries and departments with vocational training centers, as well as in the "Ishga Markhamat" mono centers of the Ministry of Labor adapted for the disabled, and in the labor market, the organization of training courses a foreign language and the basics of entrepreneurship in popular professions, especially information technology and computer programming;

fourth, at least 50 percent of the total number of employees registered on the portal of the electronic cooperation exchange for state customers are persons with disabilities, and the wage fund for the disabled is at least 10 percent of the total wage fund allowing the conclusion of direct contracts with legal entities that account for 50 percent of their products;

fifth, as an experiment, to organize the activities of the "Center of Opportunities", which supports scientific, cultural, artistic, sports, and professional initiatives and interests of people with disabilities, while communicating of people with disabilities with employers and rights and the use of the rights of people with disabilities as a sphere of protection of legitimate interests;

sixth, to analyze the activities of educational production enterprises specializing in working with people with disabilities in the regions, to study whether the land plots and buildings of these organizations are used for the purposes specified by law, as well as to improve their activities and organize the activities of social enterprises adapted to the activities of persons with disabilities;

seven, the introduction of an electronic platform, including such issues as electronic informing people with disabilities, increasing their social activity, focusing on promoting a healthy lifestyle, and prompt referral to medical and social services;

Eigh, in order to provide social support to young people with disabilities and ensure their employment, allocate funds free of charge for training professions in demand on the labor market in private educational centers and financing activities to develop their professional skills, as well as entrepreneurship and self-employed persons with disabilities. organizing the allocation of subsidies for equipment and mini-technologies on a first-come, first-served basis.

In order to improve the financial, economic, technical, and technological condition of enterprises owned by societies of the disabled, their modernization, by identifying specific sources for attracting local and foreign investment, as well as increasing jobs for disabled people and improving their working conditions, the following is proposed:

- 1) self-employed persons with disabilities and business entities in which at least 70 percent of employees working on the basis of an employment contract are persons with disabilities (budgetary organizations, state enterprises, legal entities with a state share of 50 percent). and more in the statutory fund (capital), except for) the provision of benefits for corporate income tax, value-added tax, and taxes levied on the property of legal entities;
- 2) take measures to liquidate inefficient, idle, and unpromising enterprises belonging to societies of the disabled, and to create new types of enterprises in their place, based on market needs;
- 3) enterprises belonging to associations of the disabled and not less than employees working on the basis of an employment contract

Allocation of subsidies to pay for electricity and natural gas for a certain amount of electricity and natural gas used by economic entities, 50% of which are persons with disabilities

- 4) the sale of raw materials necessary for enterprises belonging to societies of the disabled, according to quotas, without exchange selection, at state market prices through direct contracts;
- 5) business entities (with the exception of budgetary organizations, state enterprises, and legal entities with a state share of 50 percent or more in the authorized capital (capital)) when creating a social enterprise on the terms of a public-private partnership, creating at least 50 jobs, not less than these jobs provide for a certain amount of subsidies for financing social entrepreneurship projects with the condition of employment of fifty percent of persons with disabilities;
- 6) annual production and goods of the textile industry purchased by the relevant ministries and departments (including blankets, mattresses, pillows, sets of sheets, overalls for workers and soldiers, T-shirts, sweaters, socks, underwear, hats, sweatshirts, furniture of all kinds and etc.) to recommend the purchase of 30 percent from enterprises belonging to associations of disabled people in the relevant field;
- 7) organization of free training of disabled people in the necessary professions in the "Ishga Marchamat" mono center and vocational training centers in the regions on the basis of orders from enterprises that are members of disabled people's societies.

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