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ECONOMIC RELATIONSHIP BETWEEN JOB CREATION AND THE EMPLOYMENT RATE

Daurova Gulnoza Usan qizi
Teacher, Department of Economics, Finance, and Accounting
Institute of Technology, Management, and Communication
E-mail: daurovagulnoza13.07dagu@gmail.com

Abstract: This paper analyzes the economic relationship between newly created jobs and the employment rate in the Republic of Uzbekistan. It examines the impact of new jobs on labor demand, household income, and employment processes.

Keywords: employment rate, new jobs, labor market, labor resources, economic relationship.

Today, ensuring employment and creating new jobs are among the key priorities of socio-economic development. The level of employment directly influences household income and living standards, as well as the overall stability of the national labor market. Therefore, engaging the population in productive labor activities through job creation is of paramount importance [1].

Although the employment rate and job creation are directly linked, their relationship cannot be explained solely by an increase in the number of jobs. This interdependence is shaped by labor demand, labor supply, wages, demographic trends, professional skills, and regional labor market conditions. From this perspective, determining the statistical and empirical relationship between newly created jobs and the employment rate remains highly relevant.

A new job represents an opportunity for an enterprise, organization, or any economic entity to utilize labor resources. The creation of new jobs drives an increase in labor demand, which in turn broadens employment opportunities. Consequently, this affects the employment rate by altering the size of the employed population [2].

This mechanism can be outlined in the following sequence:

Creation of new jobs—Rise in labor demand—Expansion of employment opportunities—Growth in the employe

The economic activity of the population also plays a vital role in determining the employment rate. In the context of a growing inflow of labor into the market, the demand for newly created jobs increases proportionally. If the number of jobs created is sufficient relative to the influx of new labor market entrants, the capacity to raise the employment rate expands. Employing econometric methods is essential for identifying the relationships between these processes and assessing the direct impact of job creation on employment rates [3]. Therefore, job creation policies must be aligned with demographic trends and dynamics in labor resources.

Conclusion

The relationship between job creation and the employment rate is driven by labor supply and demand, wage levels, workforce qualification, economic activity of the population, and regional factors. An increase in new jobs stimulates the demand for labor, thereby improving employment opportunities for the workforce.

However, simply increasing the nominal number of new jobs is insufficient to achieve sustainable employment. The durability of created jobs, working conditions, wage levels, and the professional qualifications of workers are equally critical. Consequently, along with creating new employment opportunities, employment policy should also focus on training qualified specialists aligned with market demands and enhancing workforce skills.

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