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The Economic Essence, Formation, and Stages of Development of the Population Employment Category

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Abstract: Employment is one of the most important socio-economic categories that reflects the effective participation of the population in economic activity and plays a key role in ensuring sustainable economic growth and social stability. This article examines the economic essence of the population employment category, its theoretical foundations, and the stages of its formation and development within the context of economic thought. The study analyzes the evolution of employment concepts from classical economic theories to modern approaches based on human capital and labor market regulation. Special attention is given to the structural transformation of employment, changes in labor market mechanisms, and the role of state policy in regulating employment processes. The research also highlights the relationship between employment, economic productivity, and social welfare. As a result, the study provides a comprehensive understanding of the development of the employment category and its significance in modern socio-economic systems.

Keywords: Employment, Population Employment, Labor Market, Human Capital, Employment Policy, Economic Development, Labor Productivity, Socio-Economic Development

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1. Introduction

Employment of the population is considered one of the most important socio-economic categories reflecting the effective participation of labor resources in the production process and the creation of national income. In modern economic theory, employment is closely linked with economic growth, labor productivity, and the welfare of society. The efficient use of labor resources ensures sustainable development, improves living standards, and strengthens social stability. Therefore, the study of the economic essence of employment, as well as its formation and development stages, occupies an important place in economic research.

In recent years, Uzbekistan has been implementing large-scale economic reforms aimed at ensuring sustainable economic growth, developing the labor market, and increasing employment opportunities for the population. The country's population exceeded 37.5 million people in 2024, and the number of employed persons in the economy reached about 14.26 million. At the same time, the labor force participation rate amounted to approximately 72.9%, reflecting the significant role of labor resources in national economic development.

The dynamics of unemployment in Uzbekistan demonstrate gradual improvement in the labor market. In 2020, the unemployment rate reached 10.5%, mainly due to the global pandemic and economic slowdown. However, in subsequent years it steadily decreased: 9.6% in 2021, 8.9% in 2022, 6.8% in 2023, and around 5.5% in 2024, reflecting the effectiveness of employment policies and economic reforms. In 2025, the unemployment rate declined further to about 4.9%, indicating the expansion of job creation programs and the development of the private sector[1].

At the same time, certain structural challenges remain in the labor market, including informal employment, youth unemployment, and the need to improve the professional skills of the labor force. Earlier statistical observations show that youth unemployment and differences in economic activity between men and women remain significant issues requiring policy attention. Addressing these problems requires the effective implementation of labor market reforms, the development of human capital, and the expansion of productive employment opportunities[2].

Literature Review

The concept of employment has been widely examined in economic theory, where it is considered one of the fundamental categories reflecting the participation of labor resources in economic activity. The theoretical foundations of employment were initially developed within classical economic thought. Adam Smith emphasized the importance of labor as the main source of wealth in his work *The Wealth of Nations*. According to Smith, the division of labor and specialization significantly increase productivity and create conditions for expanding employment opportunities. Classical economists viewed employment as a natural outcome of market equilibrium where the interaction of supply and demand in the labor market determines the level of employment[3].

Later, the issue of employment was further analyzed by David Ricardo and Thomas Robert Malthus, who focused on the relationship between population growth, wages, and labor demand. Ricardo emphasized that technological progress and capital accumulation influence the structure of employment, while Malthus highlighted the potential imbalance between population growth and employment opportunities. These approaches formed the early theoretical basis for analyzing employment within the framework of classical political economy[4].

A new stage in the development of employment theory emerged with the ideas of John Maynard Keynes. In his famous work *The General Theory of Employment, Interest and Money*, Keynes challenged classical assumptions about automatic market equilibrium and introduced the concept of effective demand as a key determinant of employment. According to Keynesian theory, insufficient aggregate demand can lead to unemployment, and therefore government intervention through fiscal and monetary policies becomes necessary to maintain full employment. Keynesian ideas significantly influenced modern employment policy and labor market regulation[5].

In the second half of the twentieth century, employment issues began to be analyzed through the framework of human capital theory. Gary Becker made a major contribution to this field in his work *Human Capital*. Becker argued that education, skills, and professional training represent investments in human capital that directly influence employment opportunities and labor productivity. From this perspective, employment is closely connected with the development of knowledge, qualifications, and innovation in the economy[6].

Modern research on employment also emphasizes the role of institutional factors, labor market flexibility, and technological transformation. International organizations such as the International Labour Organization and the World Bank regularly publish analytical reports on global employment trends, labor market policies, and human capital development. These studies highlight the importance of productive employment,

inclusive labor markets, and the integration of technological innovation into employment strategies[7].

In the context of Uzbekistan, a number of national scholars and policy documents have examined the development of employment and labor market regulation within the framework of ongoing economic reforms. Particular attention is paid to the creation of new jobs, the development of entrepreneurship, and the improvement of vocational education and training systems. The implementation of state employment programs and labor market modernization has become an important factor in improving employment indicators and strengthening socio-economic stability.

Thus, the analysis of theoretical and empirical literature shows that the concept of employment has evolved from classical interpretations of labor participation to modern approaches emphasizing human capital, labor market institutions, and state regulation. This evolution provides a comprehensive theoretical framework for studying the economic essence, formation, and development stages of the population employment category in contemporary economic systems[8].

2. Material and Methods

The research methodology of this study is based on a qualitative and quantitative analytical approach aimed at examining the economic essence, formation, and development stages of population employment as a socio-economic category. The study primarily employs a theoretical analysis of classical, Keynesian, and modern economic concepts to explore the evolution of employment theory, with particular attention to the contributions of key economists and contemporary institutional perspectives. In addition, a comparative and historical analysis method is used to trace the transformation of employment from classical market equilibrium interpretations to modern approaches emphasizing human capital, labor market regulation, and state intervention. Empirical analysis is conducted using secondary statistical data obtained from national and international sources, including labor market indicators of Uzbekistan such as employment rates, unemployment dynamics, and economically active population trends. These data are analyzed through descriptive statistical methods to identify patterns, growth tendencies, and structural changes in the labor market over the period 2022–2025. Furthermore, the study applies a system approach to examine the interrelationship between employment, economic growth, labor productivity, and social welfare, allowing for a comprehensive understanding of employment as an integrated socio-economic phenomenon. Logical analysis and synthesis are also utilized to generalize findings and develop theoretical conclusions. The methodology ensures the reliability of the research by combining theoretical frameworks with empirical evidence, enabling a holistic evaluation of employment development processes and their implications for economic policy and sustainable development.

3. Results and Discussion

Employment represents one of the key socio-economic categories that reflects the participation of the population in economic activity and plays a crucial role in ensuring sustainable economic growth and social stability. In economic theory, employment is closely related to the effective utilization of labor resources, the development of human capital, and the functioning of the labor market. The economic essence of employment lies in the involvement of individuals in productive activities that generate income and contribute to the creation of national wealth. Therefore, the study of employment as an economic category requires not only a theoretical analysis but also an examination of practical labor market indicators[9].

The formation and development of the population employment category have evolved alongside the transformation of economic systems and labor relations. Classical economic theory considered employment primarily as the result of equilibrium between

labor supply and demand. However, modern economic approaches emphasize the role of institutional factors, human capital development, and government policies in shaping employment levels. In this context, employment is not only a reflection of economic activity but also a significant indicator of socio-economic development and welfare.

In the case of Uzbekistan, the development of employment is closely connected with structural reforms in the national economy, the expansion of private entrepreneurship, and the modernization of the labor market. One of the important indicators that characterizes the state of employment is the economically active population, which represents the part of the population engaged in economic activities or actively seeking employment. Recent data indicate a steady increase in the economically active population in Uzbekistan. For instance, the economically active population increased from 14.8 million persons in 2022 to 15.4 million persons in 2025, reflecting demographic growth and the increasing participation of the working-age population in economic processes.

At the same time, the number of employed persons has also shown a positive trend. Employment increased from 13.5 million persons in 2022 to approximately 14.6 million persons in 2025, which demonstrates the effectiveness of employment policies and economic reforms aimed at creating new jobs. The growth of employment is largely associated with the development of small and medium-sized enterprises, expansion of the service sector, and increased investment in various sectors of the economy. As a result, the labor market in Uzbekistan has gradually become more dynamic and responsive to economic changes[10].

Despite these positive developments, several social indicators of the labor market reveal existing structural challenges. In particular, the youth unemployment rate, which remains around 14 percent, indicates that young people often face difficulties in entering the labor market due to a lack of professional experience or a mismatch between education and labor market requirements. Youth employment is therefore considered one of the priority areas of labor market policy in Uzbekistan.

Another important aspect of labor market development is the gender structure of economic activity. Statistical data show that the economic activity rate among men is approximately 47 percent, while the rate for women is about 39 percent. This difference highlights the existence of gender disparities in labor market participation. Increasing female participation in economic activity is essential for improving the efficiency of labor resource utilization and promoting inclusive economic growth[11].

Thus, the analysis of employment indicators and social characteristics of the labor market demonstrates that employment in Uzbekistan is undergoing a process of gradual transformation. The increase in the economically active population and employment levels indicates positive economic dynamics, while challenges related to youth unemployment and gender inequality require further policy attention. Strengthening human capital development, improving vocational education systems, and supporting entrepreneurship are key factors that can contribute to sustainable employment growth and the effective functioning of the labor market.

In conclusion, the study of the economic essence, formation, and development of the population employment category cannot be separated from the analysis of labor market indicators. In the context of Uzbekistan, the interaction between economic reforms, demographic trends, and social factors plays a decisive role in shaping employment dynamics. Therefore, comprehensive labor market policies aimed at increasing employment opportunities and improving labor productivity are essential for achieving long-term socio-economic development.

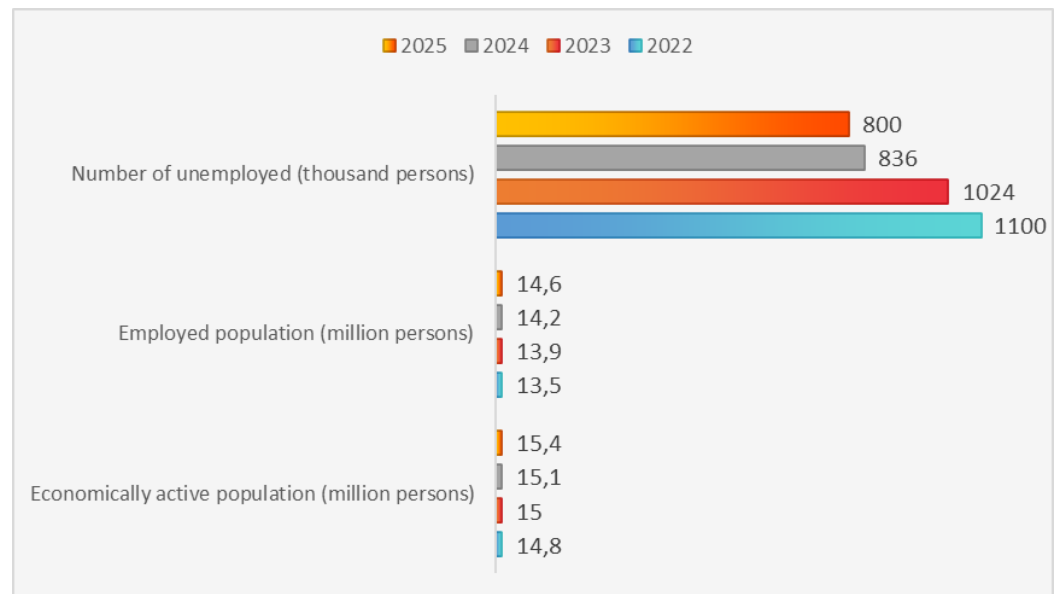


Figure 1. Economically Active Population and Employment in Uzbekistan

Presents the dynamics of the economically active population, employed population, and the number of unemployed persons in Uzbekistan during the period 2022–2025. The data illustrate significant trends in the development of the national labor market and reflect the impact of ongoing economic reforms aimed at improving employment conditions and expanding labor market opportunities[12].

First, the economically active population demonstrates a gradual upward trend throughout the analyzed period. In 2022, the economically active population amounted to 14.8 million persons, increasing to 15.0 million in 2023, 15.1 million in 2024, and reaching 15.4 million persons in 2025. This growth reflects demographic expansion, as well as the increasing participation of the working-age population in economic activities. It also indicates improvements in labor market participation and the integration of more individuals into the formal and informal sectors of the economy.

Second, the number of employed persons has steadily increased during the observed period. Employment rose from 13.5 million people in 2022 to 13.9 million in 2023, 14.2 million in 2024, and 14.6 million in 2025. This positive trend suggests that Uzbekistan's economic reforms, including the development of small and medium-sized enterprises, entrepreneurship support programs, and investment in industrial and service sectors, have contributed to the creation of new job opportunities. The expansion of employment also reflects structural transformations in the national economy, particularly the growing role of the service sector and private business[13].

At the same time, the number of unemployed persons shows a noticeable decline. In 2022, the number of unemployed individuals reached approximately 1.1 million, which decreased to 1.024 million in 2023, 836 thousand in 2024, and further declined to 800 thousand persons in 2025. This reduction indicates improvements in labor market efficiency and the effectiveness of government policies aimed at reducing unemployment and promoting productive employment.

Overall, the data presented in the figure indicate a positive development in Uzbekistan's labor market, characterized by increasing economic activity, rising employment levels, and a gradual reduction in unemployment. These trends highlight the importance of continued investment in human capital, vocational education, and labor market institutions in order to ensure sustainable employment growth and enhance the competitiveness of the national economy.

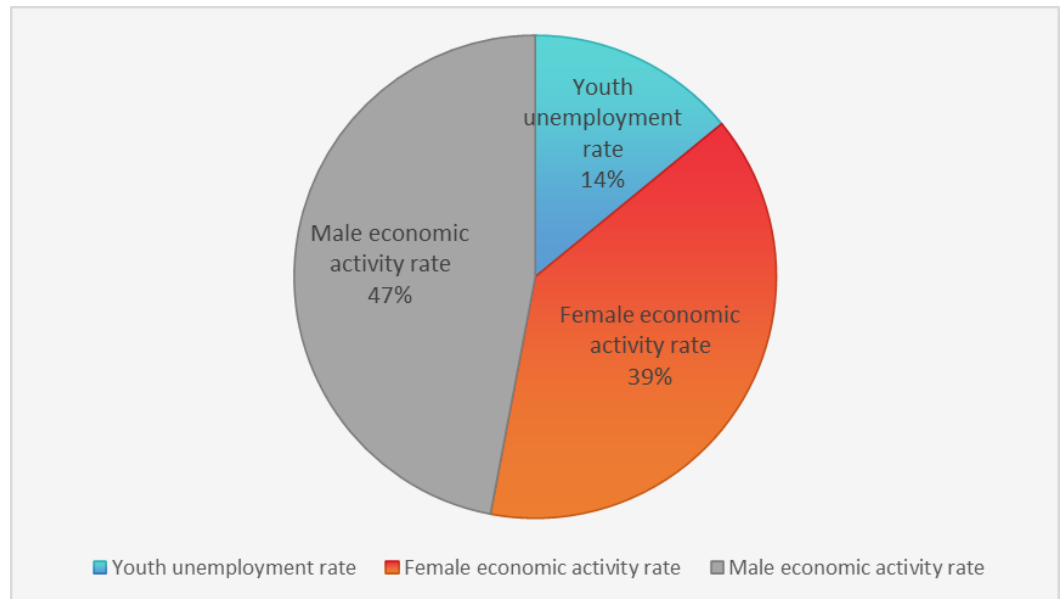


Figure 2. Selected Social Indicators of the Labor Market in Uzbekistan

Illustrates several important social indicators of the labor market in Uzbekistan, including the youth unemployment rate and the economic activity rates of men and women. These indicators provide insight into the structural characteristics of labor force participation and highlight certain socio-economic challenges within the national labor market[14].

First, the youth unemployment rate, which is presented at 14%, indicates that a considerable share of young people face difficulties in entering the labor market. Youth unemployment is often associated with a mismatch between education and labor market requirements, limited professional experience, and insufficient opportunities for first-time employment. In many developing economies, including Uzbekistan, this issue requires targeted government policies such as vocational training programs, youth entrepreneurship initiatives, and the expansion of internship opportunities to facilitate smoother school-to-work transitions.

Second, the data show a noticeable gender difference in economic activity rates. The male economic activity rate is 47%, while the female economic activity rate is 39%. This difference reflects existing gender disparities in labor market participation. Several socio-economic factors may contribute to this gap, including differences in employment opportunities, household responsibilities, access to education and professional training, as well as cultural and social norms. Increasing female participation in economic activities is considered an important factor for sustainable economic growth, as it expands the effective labor supply and improves household incomes.

Moreover, the relatively lower participation of women in the labor market suggests the necessity of implementing policies that support gender equality in employment, such as improving access to childcare services, encouraging flexible work arrangements, and strengthening legal protections against workplace discrimination. Enhancing women's participation in economic activities not only contributes to inclusive economic growth but also promotes social development and poverty reduction[15].

Overall, the indicators presented in figure 2 demonstrate that while Uzbekistan's labor market has shown progress in expanding employment opportunities, youth employment and gender disparities remain important policy challenges. Addressing these issues through human capital development, education reforms, and inclusive labor market

policies will play a crucial role in strengthening the country's long-term socio-economic development.

4. Conclusion

In conclusion, employment is a key socio-economic category that reflects the participation of the population in economic activity and plays an important role in ensuring sustainable economic growth and social stability. The analysis of the formation and development of the employment category shows that modern approaches emphasize the importance of human capital, labor market institutions, and effective employment policies.

The analysis of labor market indicators in Uzbekistan indicates a gradual increase in the economically active population and the number of employed persons, which reflects positive changes in the national economy and the effectiveness of employment policies. At the same time, certain challenges such as youth unemployment and gender disparities in economic activity remain relevant.

Therefore, improving human capital, expanding employment opportunities, and strengthening labor market policies are essential for ensuring sustainable employment growth and long-term socio-economic development in Uzbekistan.

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