ANALYSIS OF THE INTERRELATIONSHIP BETWEEN PRODUCTION VOLUME AND EMPLOYMENT LEVEL IN THE ECONOMIC DEVELOPMENT OF REGIONS

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Abstract. This article provides a scientifically grounded analysis of the interrelationship between production volume and employment level in the economic development of regions. The study uses key indicators of regional economic development, including the share of production in gross regional product, industrial and agricultural output volumes, as well as indicators of the economically active and employed population. Based on official statistical data, economic-statistical and econometric methods were applied to assess the impact of changes in production volume on employment levels. The results show that an increase in production volume has a positive effect on the stable growth of employment in regions; however, the strength of this effect depends on the economic structure of the regions and the degree of intersectoral specialization.

Keywords: Regional economy, production volume, employment level, regional development, economic growth, labor market, economic-statistical analysis, econometric modeling.

Introduction. In the context of ongoing globalization, the sustainable development of regional economies is considered one of the key factors of national economic growth. In particular, the relationship between the growth of production volume and employment levels in regional economies remains a pressing issue and a priority area of economic policy. This is because the expansion of production activity directly contributes to the creation of new jobs, an increase in household incomes, and the overall socio-economic development of regions.In recent years, structural reforms implemented in the economy of Uzbekistan—such as industrial modernization, support for small business and private entrepreneurship, and state programs aimed at comprehensive regional development—have significantly increased economic activity across regions. According to official statistical data, during 2022–2024, steady growth in industrial and production volumes was observed across regions, which in turn led to positive changes in employment indicators. At the same time, in some regions, the growth of production volume has not had a proportional impact on employment levels, indicating the presence of structural imbalances in the labor market.

Differences in the level of economic development among regions are closely related to production structure, sectoral specialization, investment activity, and the efficiency of labor resource utilization. For example, in industrialized regions, growth in production volume is mainly driven by highly productive jobs, whereas in agrarian regions, employment growth is largely characterized by seasonal and low-productivity labor. This situation necessitates an in-depth regional analysis of the relationship between production and employment. From this perspective, conducting a scientifically based study of the interrelationship between production volume and employment level in regional economic development, identifying the strength and direction of this relationship, and developing evidence-based conclusions to improve regional economic policy are of significant scientific and practical importance. This article is devoted to examining these issues using economic-statistical and analytical approaches.

Dynamics of Production Volume in Regional Economies. One of the key indicators of regional economic development is the growth rate of production volume. In recent years, growth in production volumes has been observed across regions in the industrial, agricultural, and service sectors. This process is primarily associated with industrial diversification, improvement of the investment climate, and the development of regional production infrastructure. However, production growth has not occurred at the same pace in all regions. In areas with high industrial potential, production growth is mainly ensured by capital-intensive and technologically advanced industries. As a result, while production volume increases significantly, employment growth rates may remain relatively low. Conversely, in agrarian or less industrialized regions, production growth is largely driven by labor-intensive sectors, leading to relatively faster growth in employment levels.

Regional Characteristics of Employment Levels. The employment level of the population is one of the most important indicators of the socio-economic development of regions, reflecting the efficiency of labor resource utilization. Regional employment levels are closely linked to production structure, intersectoral proportions, and the level of development of small business and private entrepreneurship. Recent statistical trends indicate that regions with high production volumes tend to have higher-quality and more stable employment, while economically less active regions continue to experience a high share of informal employment. This highlights the need to analyze the relationship between production volume and employment not only quantitatively but also qualitatively. Economic Analysis of the Relationship Between Production and Employment. From the perspective of economic theory, the relationship between production volume and employment level is explained by production factors and labor productivity. An increase in production volume usually leads to the creation of new jobs. However, in modern economic conditions, technological advancement and automation processes may weaken this relationship in some cases. Regional analysis shows that a 1 percent increase in production volume affects employment levels differently across regions. These differences are explained by sectoral specialization and whether production is capital-intensive or labor-intensive. For instance, in regions with high technological intensity in industrial production, the impact on employment is relatively limited, whereas in manufacturing and service sectors, this effect is more pronounced.

Regional Imbalances and Their Impact on Employme**nt.** Economic imbalances between regions contribute to uneven formation of the relationship between production and employment. In some regions, production growth is accompanied by increased labor productivity, resulting in relatively slow employment growth. In other regions, despite lower production volumes, employment levels remain high, which is indicative of low labor efficiency. This situation calls

for a differentiated regional economic policy. Specifically, in industrialized regions, policies aimed at creating high-skilled jobs are essential, while in less developed regions, expanding production to increase employment remains a priority task.

Conclusion

The results of the study demonstrate that there is a stable and positive relationship between production volume and employment level in regional economic development. Growth in production volume generally contributes to improving the socio-economic conditions of regions by ensuring employment and creating new jobs. However, the strength and impact of this relationship vary depending on the economic structure of regions, sectoral specialization, and whether production is capital-intensive or labor-intensive. The analysis shows that in industrialized and technologically advanced regions, growth in production volume has a relatively limited impact on employment levels, which can be explained by increased labor productivity and automation processes. In contrast, in regions dominated by labor-intensive sectors, production growth leads to a significant increase in employment, although such employment is often characterized by low productivity.

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