

Labor Efficiency – Society Factor Of Economic Development

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Abstract: In the article, the author analyzes the theoretical foundations of labor productivity, its economic essence, and measurement indicators. Labor productivity is considered a decisive factor in ensuring the sustainable development of the economy, enhancing the competitiveness of enterprises, and improving the well-being of the population. The study employs important economic indicators such as natural and value-based measures of labor productivity, as well as labor intensity.

The article reveals the theoretical essence of labor productivity based on the ideas of classical economists — A. Smith, D. Ricardo, and K. Marx — as well as modern management theorists. Furthermore, the experience of developed countries, particularly the United States and Japan, is analyzed, highlighting that the main factors driving labor productivity growth are technological innovations, innovative activities, and investment in human capital.

The article also emphasizes that during the years of independence, the economic reforms implemented in Uzbekistan have created opportunities to improve labor efficiency in society. However, a number of problems still persist that hinder the growth of labor productivity. Successful resolution of these issues would further enhance labor efficiency in enterprises and organizations.

Keywords: Labor productivity, actual labor productivity, available labor productivity, potential labor productivity, the impact of reforms on labor productivity, factors that reduce labor productivity, opportunities to increase labor productivity.

Introduction: The concept of labor productivity is central to any economic system. It is one of the most important economic criteria that shows the efficiency of production, the level of internal management of enterprises, and the rational use of the labor potential of employees. Labor productivity is an economic indicator determined by the ratio of the volume of products or work performed over a certain period of time to the labor resources expended. Simply put, it indicates how much product or profit is created as a result of the labor of a producer or service provider. The growth of labor productivity is a process closely related to increasing production efficiency, economical use of resources, reducing product costs, and improving employee skills and labor discipline. The

theoretical foundations of labor productivity in economic literature were developed in the 19th and 20th centuries by classical economists - A. Smith, D. Ricardo, K. Marx, and later by F. Taylor, G. Ford, and modern management theorists. A. Smith's ideas on the "Division of Production" created the first scientific basis for the concept of labor productivity. In his opinion, specialization of the work process and division of labor allow one employee to perform skilled work in a short time, which increases the total volume of production.

Determining labor productivity in enterprises is an integral part of economics. It not only shows the efficiency of the production process, but also determines the level of technological progress, employee skills, and the level of use of labor resources.

There are two main methods of measuring labor productivity: natural and value indicators. Natural indicators express the volume of products produced in units such as tons, pieces, meters. Value indicators measure the volume of products produced in monetary terms, which allows for comparison between different industries.

Today, foreign experience shows that the main source of labor productivity growth in developed countries is innovative activity and investment in human capital. For example, according to the World Bank, more than 60 percent of productivity growth in the US and Japanese economies is due precisely to technological innovations and an increase in the efficiency of the education system.

In recent years, Uzbekistan has also been implementing a number of reforms to increase labor productivity. In particular, the transition to a digital economy, the introduction of automation systems, the development of vocational education and training programs are yielding effective results.

Since the 1960s, the practice of ensuring labor productivity through forced labor has decreased. Since this period, efforts have been made to ensure labor productivity in society through socialist labor relations. However, unfortunately, these relations have not been able to ensure labor productivity either. An economy based on administrative command did not allow enterprises to independently strengthen their material and technical base, diversify production, and introduce innovations into production. Their main task was limited to the full implementation of the plans set from above. The production process was also organized without taking into account the specific characteristics of different regions. As a result, waste of working time was rampant. The lack of a fair remuneration system for labor and the lack of encouragement for the creative activity of various team members further complicated the situation. As a result, the level of labor efficiency in all enterprises and organizations decreased.

The economic reforms implemented in Uzbekistan during the years of independence created opportunities to increase labor efficiency in society. In particular, in the first years of independence, "the following were set as strategic goals in the field of economic reform:

1. The gradual formation of a socially oriented market economy, the establishment of a powerful and constantly developing economic system that ensures the growth of national wealth, the necessary conditions for the life and activities of people.
2. The creation of a diversified economy, the

elimination of human deprivation of property, the state protection of private property, which is the basis for the development of initiative and entrepreneurship by all means.

3. Providing enterprises and citizens with broad economic freedoms, the rejection of direct state intervention in their economic activities, the elimination of administrative-command methods of managing the economy, the widespread use of economic factors and incentives.

4. Making deep structural changes in the economy that ensure the effective use of material, natural and labor resources, the production of competitive products, and integration into the world economic system.

5. In people to form new economic ideas, change their worldview, and allow each person to independently determine the scope and forms of their labor.

These measures had a significant impact on the level of labor productivity and the volume of output in enterprises and organizations. It is for this reason that the country's gross domestic product began to grow, and the volume of production of the national economy and industrial products expanded. In recent years, the reforms implemented within the framework of the Strategy of Actions and the Development Strategy of New Uzbekistan have given a trend to the development of these factors. For example, over the past five years, special attention has been paid to the expansion of the private sector in the economy and the reduction of direct state intervention in the activities of economic entities and organizations. As a result, the level of economic freedom of entities is significantly increasing. Economic freedom in enterprises, on the one hand, has created the basis for a sharp increase in the number of entrepreneurship and small business entities.

However, this does not mean that all measures have been taken to reduce the gap between the actual labor productivity indicator and the actual labor productivity indicator at the country's enterprises. A number of problems still remain in society that hinder the increase in labor productivity. For example, issues related to the development of the material and technical base of enterprises and organizations, diversification of production, introduction of innovations into production, scientific organization of the production process, reduction of losses during working hours, improvement of the education and skills of employees, and implementation of a fair remuneration system are awaiting their solution. Successful resolution of these issues would further increase labor productivity at enterprises and organizations. The reforms being implemented in Uzbekistan to increase labor productivity, in particular, the transition to a digital

economy, the introduction of automation systems, and the development of vocational education, are analyzed. At the end of the article, the main directions for increasing labor productivity are the introduction of advanced technologies, improving employee skills, improving the incentive system, and the need for scientific organization of labor.

As a result of the analysis, labor productivity is interpreted in two main directions: quantitative and qualitative. In the quantitative approach, it is measured as the ratio of the volume of produced products to the unit of working time spent. In the qualitative approach, the skills of workers, the level of equipment and technology, methods of labor organization, and the effectiveness of the management system are taken into account. In general, labor productivity is the most important indicator of economic growth, and a deep study of its theoretical foundations is the foundation for increasing production efficiency, forming a competitive economy, and ensuring social well-being.

CONCLUSION

In conclusion, labor productivity is a powerful factor capable of ensuring sustainable economic development. The large-scale reforms implemented in Uzbekistan during the years of independence have created real opportunities for its improvement. The current task is to rationally use these opportunities, while taking measures to eliminate factors that hinder the increase in labor productivity. Labor productivity is the most important indicator of economic growth, and a deep study of its theoretical foundations is the foundation for increasing production efficiency, forming a competitive economy, and ensuring social well-being.

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