



## THE ROLE OF SMALL BUSINESS IN THE EMPLOYMENT OF THE POPULATION

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**Annotation.** This article provides feedback on the role of small business in the employment of the population in the Republic of Uzbekistan. Small business is one of the most convenient ways to increase the employment of the population, and information is given on how to achieve this.

**Keywords:** Small business, private enterprise, microfinance, real income, inflation, real estate, securities, market economy.

**Introduction.** The current stage of economic reforms carried out in our country is the development of small business and private entrepreneurship, improving its efficiency with the granting of wide economic freedom to it. To achieve this goal, the development of several decrees and decisions by the head of our country will definitely serve to improve the efficiency of small business and private entrepreneurship.

Ensuring the employment of labor in the country and, on this basis, increasing the income of the population is one of the important conditions for the socio-economic development of society.

It is no secret that measures are carried out on a large scale year after year in order to develop small business and private entrepreneurship in Uzbekistan, to create favorable conditions for its activities. Today, more than 56% of the gross domestic product of our country corresponds to the contribution of small business and private enterprise entities, and their share in exports is 20.5%. The "new Uzbekistan development strategy for 2022-2026" sets out priorities for organizing entrepreneurial activities and creating conditions for the formation of permanent sources of income, bringing the share of the private sector in GDP to 80 percent and its share in exports to 60 percent. [1]

Improving the standard of living, increasing real income and ensuring employment of the population in our country through the development of small business and private entrepreneurship is one of the priorities of today. "It is necessary



to attach special importance to the support of entrepreneurial initiatives related to the solution of social problems in places, especially youth and women's entrepreneurship. To this end, a wide path is opened to residents and entrepreneurs, microfinance services and financial resources, public procurement. Through such measures, the enthusiasm and confidence in our people to become entrepreneurs increases, they will seek to generate more income"[2].

The day-to-day development of small business and private entrepreneurial activity is showing its positive impact not only on the provision of employment, but also on the comfortable standard of living of the population.

To represent the level of well-being of the population, various concepts are used, such as "standard of living", "public welfare", "safety of life", "lifestyle", "quality of labor activity", "quality of life". Sometimes different terms mean one content, in other cases the difference between them acquires a certain character, the content differs significantly. At the same time, it should be noted the interdependence of these concepts.

In Uzbekistan, the term "standard of living" is more widely used, which refers to the level of satisfaction of the material, spiritual, social needs of the population. Such a description characterizes more standard of living statistics. At the same time, the standard of living is a changing process that is influenced by the sum of many factors. The standard of living is determined by the composition and level of needs for various benefits, which change regularly, and, on the other hand, by the possibilities of satisfying the need, the state in the market of goods and services, the income of the population, the wages of the working people.

The main factor in the increase in real incomes of the population is the convenience of macroeconomic conditions, a rapid increase in economic growth, a significant decrease in inflation, structural changes in the economy and increased clear social protection of the population.

In recent years, as a result of measures taken to increase the amount of wages, pensions, scholarships and benefits, reduce tax rates on the income of individuals, reduce the level of inflation, the gross and real income of the population has increased significantly, its purchasing power is growing at a stable pace. [3]

The development of the field of small business and private entrepreneurship can also be viewed as the main directions in eliminating the negative consequences of the administrative-managerial system of Business Administration. In particular, it was the excessive accumulation of production in large cities, as a result of the social policy incorrectly pursued during the period of the administrative-command system, and the low level of socio-economic development in small cities and rural areas that exacerbated stratification. Such an unsuitable method has especially adversely affected the production and social infrastructure in many small towns and villages in our country. Despite the fact that the main part of the population of the Republic was located in the villages, the problem of setting up new jobs for the existing surplus



labor was not solved. Accordingly, one of the main ways to quickly solve this problem is the establishment of small enterprises, especially small ones specializing in industrial production and processing agricultural products.

In the conditions of modernization of the economy of our country, a number of changes have occurred in the structure of the income of the population: [4]

- first, the forms of income have changed, that is, among its traditional types (salary, pension, pension, scholarship), completely new ones have been added - income from entrepreneurial activity, property, real estate, securities, foreign currency;

- secondly, the components of income have changed in quantity and quality, in this regard, such concepts and categories as real income at the disposal of a citizen, the accumulation and separation coefficient, income deficit, subsistence minimum, poverty level, purchasing power of family monetary income have appeared;

- thirdly, new directions for the use of income appeared: mandatory payments and contributions, expenses for the purchase of foreign currency, securities and personal property, investments in commercial banks are among them.

It should be noted that the higher the level of income of the population, the more opportunities it has to meet its necessary need, maintain health, organize recreation, receive information, spend its free time in a cultural way. The formation of income of the population in our country has its own peculiarity.

The strategic objectives of the policy of fundamental changes aimed at achieving sustainable development and the well-being of the population, getting rid of the deep recession on the basis of reforming the economy of our country and the formation of a socially oriented market economy in our country, are discussed in the article of the president of our country. It was explained by Sh.M.Mirziyoyev as follows:

- step-by-step formation of a socially oriented market economy, the establishment of an economic system that develops powerfully and tirelessly, providing the necessary conditions for the life and work of people;

- to create a multi-axis economy, to eliminate the deprivation of property of a person, to ensure the state protection of private property, which is the basis of the development of initiative and perseverance with all measures;

- granting wide economic freedoms to enterprises and citizens, giving up direct state intervention in their economic activities, eliminating administrative-command methods of managing the economy, widespread use of economic factors and incentives;

- to make deep structural changes in the economy that ensure the effective use of material, natural and labor resources, to produce competitive products, to integrate into the world economic system;



- to form a new kind of economic thinking in people, to change their worldview, to allow each person to independently define the sphere and forms of spending their labor.

It is known that the social protection of the needy segments of the population in the development of society is not only social, but also political. Because the person who forms the core of society determines his level of promotion, his true image. Therefore, it is important to study the quantitative changes in the socio-economic and demographic status of these segments of the population, the features of the formation of their income and expenses, the composition.

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**Conclusion.** In general, in order to increase entrepreneurial activity in small bizes, it is necessary to provide the following general conditions:

- ensuring its sustainable development on the basis of ensuring macroeconomic balance in the national economy;

- interpretation of the formation of a competitive environment in the economy;

- to develop a system of state support for small businesses, on the basis of improving its mechanisms;

- to ensure that infrastructure serving small businesses can act effectively. The main directions of increasing the activities of small businesses in the Republic of Uzbekistan are as follows:

- continuous improvement of the legal and organizational framework of small businesses in accordance with the changes that are being influenced by various factors in the economy;

- increasing the effectiveness of the mechanisms of support of small business and legal entrepreneurship by the state, in this regard, applying new mechanisms in the experience of foreign countries to practice, adapting them to existing conditions;

- development of measures to ensure the development of small businesses on the basis of innovation;



- providing small businesses financially to improve the efficiency of existing mechanisms and create a favorable investment climate on the basis of moving new sources of financing;

- improving the material supply of the organization of production in a small business;

- improving the mechanisms of foreign economic activity of small businesses;

- training qualified staff for small business industry;

- deepening cooperation in small business.

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