



## THE ROLE OF SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP IN PROVIDING EMPLOYMENT

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<b>Received:</b> 14 <sup>th</sup> October 2022 <b>Accepted:</b> 13 <sup>th</sup> November 2022 <b>Published:</b> 24 <sup>th</sup> December 2022	In this article, the role of small business and private entrepreneurship in increasing employment and income of the population is highlighted, various social assistances were provided to the population on the basis of "Every family is an entrepreneur", "Our youth is future" and other social programs. The following main directions of wide involvement of the population, especially young people and women in entrepreneurship, improvement of the microfinancing system and state support of entrepreneurship have been developed
<b>Keywords:</b> Small business, private entrepreneurship, population employment, entrepreneurship, market, market economy, competition	

### INTRODUCTION

It should be noted that during the years of independence, a stable legal framework was created in Uzbekistan, which strengthens the priority of private property, which is the basis of the market economy. A favorable business environment and reliable legal guarantees have been created for the rapid development of small business and private entrepreneurship, which is an important factor for the formation of the middle class of owners, the stable development of the country's economy, the creation of new jobs and the increase of the population level. As a result of the introduction of the modernization process into production, the scientific and professional training of workers, as well as the requirements for their labor and social activity, will increase sharply.

In the conditions of the market economy, one of the main factors of increasing labor productivity and efficiency is considered to be one of the main factors of increasing labor productivity and efficiency as an important direction of organizing labor on a scientific basis. Organization of personnel work in small and private enterprises and increase of its effectiveness represent the special relevance of comprehensive research.

### RESULTS AND DISCUSSION

According to the Decision of the President of the Republic of Uzbekistan on additional measures to improve the system of attracting the population to entrepreneurship and develop entrepreneurship:

In recent years, more than 13 trillion soums of concessional loans have been allocated to more than 600,000 families within the framework of "Every family is an entrepreneur", "Our youth is our future" and other social programs aimed at attracting a large segment of the population to entrepreneurship and expanding their sources of income. has been achieved.

The following main areas of public involvement, especially young people and women in entrepreneurship, improvement of the microfinance system and state support for entrepreneurship should be put into practice:

increasing the population's interest and interest in doing business;

introduction of a training system aimed at forming the necessary skills in the field of entrepreneurship among the population, wide involvement of international organizations, non-governmental non-profit organizations and non-governmental educational organizations in this process;

institutional improvement and development of the microcredit system aimed at supporting entrepreneurship;

development of social programs related to the support of the population's entrepreneurship in harmony and coordination with the reforms implemented in the economy;

to create a full-fledged system aimed at expanding and developing the activities of residents with entrepreneurial skills and experience and other small business representatives by realizing their potential;



to establish a comprehensive system for supporting entrepreneurship and to establish its implementation and coordination by a single state organization;

to small business subjects on the basis of third-party guaranty, insurance policies, pledge of property purchased on credit, guaranty of the State Fund for the Support of Entrepreneurial Activities and other types of security provided for by law in the amount of up to 225 million soums microcredits are allocated.

In this case, microloans are provided for up to 6 months with a grace period of up to 3 years, based on the recommendation of the assistant governor to the borrower who lives (located) in the neighborhood assigned to him, for the organization of gardening, viticulture and lemon farming for a period of up to 7 years with a grace period of up to 3 years, cattle breeding (cattle, sheep, goats) for up to 1 year with a preferential period of up to 3 years based on the recommendations of the assistant mayor attached to each neighborhood based on the decision of the district (city) Family Business Support Center based on the reasoned and clearly calculated results of the annual 14 allocated at the interest rate.<sup>1</sup>

It is known that the development of small business and private entrepreneurship is considered an important factor in ensuring economic growth in our country, creating new jobs, solving the employment problem, and increasing the income and well-being of the population. Because, in the conditions of the market economy, entrepreneurship is important because it can perform the following tasks:

- gives the necessary inclination to the market economy;
- directs the financial and production resources of the population (labor and raw material resources);
- contributes to creating a competitive environment;
- implements development in the most necessary directions of scientific and technical development;
- solves the employment problem;
- alleviates social tension and democratizes market relations;
- creates an incentive for many people to open their creative possibilities;
- the labor of socially unprotected groups of the population is used;
- improves the qualifications of young personnel and increases their experience in production.

Based on this, the development of small business and private entrepreneurship remains one of the main directions in the consistent continuation of the path of large-scale reforms and modernization in our republic. In this regard, we can give an example of the attention paid to agriculture. In the report of President Islam Karimov at the meeting of the Cabinet of Ministers dedicated to the results of socio-economic development of our country in 2019 and the most important priority directions of the economic program for 2020, "In 2014, due to the implementation of the program of comprehensive measures in our country, about 1 million new it was noted that about 60 percent of jobs were created in rural areas. The activity of entrepreneurs on the production of certain products, the performance of work and the provision of services constitutes entrepreneurial activity. According to the Law of the Republic of Uzbekistan "On Guarantees of Entrepreneurship and Entrepreneurship" "Entrepreneurial activity (entrepreneurship) is income (profit) carried out by subjects of entrepreneurial activity in accordance with legal documents, at risk and under their own property responsibility) proactive activity aimed at obtaining". There are a number of conditions and requirements based on entrepreneurial activity.

First, the entrepreneur combines production factors in the process of production of goods and services and acts as a "catalyst".

Secondly, in the process of running a business, he takes on the difficult task of making independent decisions.

Thirdly, as an entrepreneur-organizer, he tries to introduce new production technologies and produce new products. Fourthly, an entrepreneur is a person who is not afraid to take risks.

He risks not only his property, time, labor, but also the funds contributed by his partners and shareholders. Summarizing the above-mentioned various opinions and approaches about entrepreneurial activity, it can be briefly defined as follows:

Entrepreneurship is an economic activity aimed at profiting and using it effectively, regardless of its form and field. In the implementation of business activities, it is required to comply with the following rules:

- Having the rights and freedoms of an entrepreneur to run a business;

<sup>1</sup> <https://lex.uz/uz/docs/-5045889?ONDATE=27.03.2021%2000>



- Entrepreneurship can be carried out both by the owner himself and by an entity operating on the basis of his property;

- Existence of a favorable economic environment and social-political conditions that ensure the freedom of economic management;

- The presence of different forms and types of farming and exploitation;

- The entrepreneur should have special knowledge, information and professional training.

There are various forms of entrepreneurial activity, among them small business and private entrepreneurship, which are distinguished by the limited scope of their business operations, occupy an important place. The role and practice of small business and private entrepreneurship in the socio-economic development of the country is manifested through the tasks performed by this sector. The diversity of such tasks indicates that the field of small business and private entrepreneurship is somewhat important for all countries in the world, as well as for a particular country with its own characteristics.

A significant part of the GDP is increasingly being produced in this area, employment of the majority of the labor force is provided, and more than half of all innovations are created. The analysis of Jakhan's experience shows that the development of small business is used as a special lever of economic policy in a number of countries. Including:

1. the main field of ensuring labor force employment;
2. economy is a source of innovation potential development;
3. source of search and introduction of new forms of production activity;
4. filling the state budget with taxes (for example, in Germany, almost half of taxes are provided by small businesses);
5. prevention of production decline (Hungary, Czech Republic, Poland); inextricably linked with big business, it is the basis of sustainable development of the country and increasing the competitiveness of its economy.

The policy of effective development of private entrepreneurship in the region can be implemented in the framework of the following main directions, based on the employment situation in it:

- focus on creating new jobs in the field of private entrepreneurship based on the conditions of the region
- wide implementation of training and retraining in the field of private entrepreneurship;
- providing information and consulting services;

- support of local initiatives related to employment of the population in entrepreneurship;
- revitalization of population mobility, including network and inter-network movement;
- organization of temporary work system;
- promotion of external migration, etc.

In the near future, this will have a great impact on the implementation of targeted regional programs on the implementation of effective measures aimed at increasing the employment of the population based on the support and development of small business and private entrepreneurship in the region and on social support. Attention means that it will become the basis of the economic development of the region.

Employment policy as a component of the social and economic policy of the country's development, in accordance with the transitional period of the economy focused on the effective use of labor potential and the solution of employment problems on its development. It is necessary to focus on ensuring a socially appropriate level of employment in the form of redistribution. As we know, the policy of regulating the labor market envisages achieving the following goals: - achieving a balance between demand and supply of labor force; - encouraging the unemployed to work; - increase the professional mobility of unemployed citizens in search of work; to provide employment to everyone who is looking for a job.

As part of the country's employment policy, employment assistance is implemented in two directions, that is, in the forms of passive and active employment policy. Passive employment policy includes such activities as paying benefits to the unemployed through the state employment service, retraining the unemployed in professions, and organizing public works. This option of the employment policy is somewhat economical from the point of view of the state's current expenses. However, the passive policy of employment can be justified only when there is a high flexibility of the labor market and professional mobility of the labor force during the period of economic growth, and there are some wide conditions of the economy for looking for promising independent work. In the remaining cases, the passive policy is considered to be a factor of reducing long-term unemployment and strengthening the promotion of employment of the unemployed population. There are two different approaches to determining the amount of unemployment benefits and the terms of their payment in developed countries of the market economy.

The first is to prevent a sudden drop in the standard of living of an employee who has been dismissed involuntarily. In this case, unemployment



benefits are calculated taking into account previous wages.

The second approach is to provide a living wage, with or without checking for other means of subsistence, for those who, for various reasons, do not work at all or who experience serious difficulties in finding employment. Insurance systems are one of the main systems for providing material assistance to the unemployed. They exist in the vast majority of countries with a market economy. The Law of the Republic of Uzbekistan "On Employment of the Population" provides for the payment of benefits at the level of the minimum wage or the average wage received in subsequent years of work. Insurance funds are established in many developed countries to provide unemployment benefits, financial or other assistance.

In Uzbekistan, this is the State Fund for employment of the population of the republic. This fund is mainly formed at the expense of the contributions of enterprises and employees themselves, as well as entrepreneurs who have not established legal entities. The amount of unemployment benefit is determined either as a percentage of the salary or as a fixed amount. The average allowance is 50-60% of the average salary. The amount of the pension can play an important role in the search for a job, or it can play a destructive role. Practice shows that if an employee loses only a small part of his income when he becomes unemployed, he can prolong his job search, waiting for the end of the period of payment of benefits. A more effective and acceptable direction of the state employment policy is an active employment policy, in order to increase the demand for labor, to create jobs at the expense of the state employment fund, to create additional jobs for enterprises. is to ensure economic stability by providing loans.

Creating a system of small enterprises in Uzbekistan creates the following opportunities:

- free labor resources, the introduction of new economic relations, the emergence of new forms of ownership, the greater involvement of persons released from production in social production, the emergence of new forms of ownership;
- to raise the material, moral and professional level of the population, first of all, the youth;
- restoration of national and artistic crafts, as well as support for the development of small and medium-sized enterprises, rural settlements, in general, increasing the efficiency of the economy, which is extremely important for each region. Recognizing the positive importance of small business and private entrepreneurship in the development of the economy, it is not correct to overestimate its importance.

## **CONCLUSION**

The deepening of the division of labor in this area includes the contribution of materialized labor in the total labor cost. As a result, as the share of materialized labor in the total labor increases, the growth of live labor decreases. This is an important factor in increasing labor productivity and service efficiency.

In our opinion, in the organization of labor in the field of entrepreneurial activity, it is necessary to take into account the labor costs spent per unit of time, as well as its structure. The most important of the factors that prevent business in all its aspects is the financial factor. Most of the interviewed businessmen noted that they do not have enough financial resources for this. An entrepreneur who wants to start his own business needs a certain amount of funds. Therefore, it is necessary to increase the role of microfinance institutions in the development of entrepreneurship.

Currently, the current structure of the employment network reflects the low level of efficiency in the use of labor potential in the sector, and it needs to be fundamentally changed. Therefore, it is necessary for employment assistance centers to develop and implement active programs in order to create new jobs in the family business sector and ensure employment together with authorities. In order to ensure the employment of the population, opportunities will be created to reduce the level of unemployment by developing all areas of entrepreneurship, focusing on the development of small businesses and private enterprises. In the conditions of economic development, small business and private entrepreneurship are more and more objectified year by year. This will further increase the interest of workers in the deepening and analysis of the use of the wage fund and the results of their work. Salary, as the main source of income for the company's personnel, will continue to be a powerful incentive to increase productivity in the future. The analysis of the initial factors of the organization of the labor process of the enterprise consists in determining the type of production, its technological processes, specific characteristics of machines and equipment, mechanization of labor, the degree of integration of workshops, workplaces, and the like.

Analysis of the complexity of workers' work: requirements for the level of professional qualifications and their compliance with production requirements:

the breadth of the employee's profession and the possibility of temporarily performing professions and changing labor activities.

One of the main factors of overcoming competition in the era of the market economy is to



achieve an increase in production efficiency in the enterprises of the social and private sectors, related to the macro economy. This is mainly achieved through the rational use of the available workforce. On the other hand, the effective use of the labor force often depends on the correct distribution of different tasks among certain performers, that is, on the equal provision of work according to their qualifications, experience and intelligence.

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