

The Role of Small Businesses and Private Entrepreneurship in Increasing Employment Opportunities: The Case of Uzbekistan

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Abstract: The article examines the development of small business and private entrepreneurship from the point of developing the economy, creating new jobs and increasing the income of the population.

Keywords: entrepreneurship, strategic objective, demographic factors, regional aspects, skills.

The formation of small market structures in all sectors and spheres of the country's economy, without exception, corresponds to the world economic trends of economic processes, since in all countries of the there are many small enterprises of a diverse profile in the economies.

The size of enterprises depends on the specifics of the industries and their technological characteristics. Some industries are associated with high capital intensity and significant production volumes and industries for which large enterprises are not required, but on the contrary, preference is given to small enterprises.

"The modern economy is characterized by a complex combination of industries of various sizes - large, with a tendency towards monopoly structures, and small, the creation of which is determined by many factors. On the one hand, steady scientific and technological progress tends to concentrate production. It is large firms that have large material, financial, labour resources, and qualified personnel. They can conduct large-scale scientific and technical developments, which determine the most important technological changes." [1]

On the other hand, small and medium-sized businesses are growing, especially in areas where significant capital, large amounts of equipment and cooperation of a large number of employees are not yet required. This is especially true for knowledge-intensive industries, as well as industries related to the production of consumer goods.

The possibility of efficient functioning of small forms of production is determined by some advantages over large production: proximity to local markets and adaptation to the needs of the clientele: production in small batches; exclusion of unnecessary links of management, etc. the development of small production is facilitated by the differentiation and individualization of demand in the sphere of industrial and personal consumption.

The development of small and medium-sized production creates additional jobs; restructuring is accelerating; the consumer sector is expanding. The development of small enterprises leads to the saturation of the market with goods and services, an increase in export potential, and the efficient use of local raw materials.

Nowadays identifying the current and future socio-economic development, taking into account the impact of the global economic crisis, the formation and implementation of development programs taking into account these influences have become an urgent task. Despite the negative impact of the global crisis, the chosen model of economic development and macroeconomic stability has confirmed its correctness and viability.

The practical expression of the achievement in the main directions of the state's development is the macroeconomic stability and economic development of the republic, which are reflected in the indicators of the chosen strategic course. Improvement of the structure of building the economy, modernization of production and its re-equipment, measures taken for the development of small business and private entrepreneurship has led to a steady increase in the volume of gross domestic product. The average GDP growth of economic development in 2019, at 5.6%, was highly appreciated by the international community.

The main task of the national development strategy is to ensure sustainable and rapid development of the republic's economy.

The motivation of small business and private entrepreneurship is considered among the main factors in socio-economic development in Uzbekistan.

Foreign direct investment in 2019 amounted to \$ 4.2 billion, which is \$ 3.1 billion, or 3.7 times more than in 2018. The share of investments in the gross domestic product has reached 37 percent. In the course of the implementation of the program "Every family is an entrepreneur", families starting their own business were allocated loans for a total of 5.9 trillion UZS. As part of the tax reform, the tax burden on wages has been reduced by almost 1.5 times. As a result, the number of people employed in the official sector of the economy increased by 500 thousand during the year." [2].

Thus, the government pays attention to the development of small businesses and private entrepreneurship. This is the strategic task of the state. It is known that small business, in conditions of a shortage of funds, without requiring large capital investments, allows it to accelerate the turnover of funds, in conditions of limited resources and economic instability, forms a consumption market and solves the problem of filling with goods. Small firms quickly adapt to demand requirements and thus provide the necessary balance in the consumption market.

This direction not only allows the development of the economy but also creates a very necessary factor of employment and an increase in the income of the population of the country.

The permanent population of the Republic of Uzbekistan in 2020 amounted to 34,036.8 thousand people, of which 30.8% are younger than the working-age, 58.7% are of the working-age and 10.5% are older than the working age.

Due to the rapid population growth, attention is paid to the creation of new jobs, especially for young people in Uzbekistan. For example, in 2020 in the country, as a result of comprehensive measures, 14,243 jobs were created at the expense of the Fund for the Support of Farmers and Landowners. At the same time, due to the development of small business and private entrepreneurship, 9,938.2 thousand people are employed in this area. In 2020, 93.2 thousand small firms were organized, where 37.8% are in the field of trade, 19.9% in the industrial sector. In 2020, small businesses and private entrepreneurship ensured the export of products for 3,100.6 thousand dollars. This is 26.5% of the gross domestic product. It should be emphasized that in recent years the increase in the number of

small firms and private entrepreneurship is evidenced by the rapid development of this sector in the country.

As known, the importance of small business for the country's economy is determined by such factors as its ability to provide a competitive environment in the economy, provide services and supply products for large businesses, accelerate scientific and technical research, increase tax revenues to the state treasury, etc.

Each year is dedicated to a certain area and the state during this year contributes to the development of this area, allocating appropriate funds on favourable terms, and also adopts changes in legislation and appropriate changes to facilitate and stimulate the development of this area in Uzbekistan. For the development of small businesses, it is necessary to take into account the demographic factors of each region, which are important for the development of small businesses. As a percentage, the population of rural areas of Uzbekistan is a large part (more than 55%) of the population. Given this, special attention should be paid to business development in rural areas. Here we can propose the development of the following areas that can develop conditions in rural areas:

- creation of production departments for processing agricultural products (apples, grapes, lemon, etc.);
- processing of milk, dairy products;
- organization of production of knitted goods, leather, woollen products;
- production of national goods, for example, carpets;
- production of building materials.
- The analysis shows that the main factors affecting the employment of women in rural areas:
- development of a personal subsidiary farm;
- expanding the forms of self-employment of the population;
- creating conditions for self-employment;
- expansion of private entrepreneurship;
- expansion of flexible and non-standard forms of employment;
- introduction of market methods of organization of production and labour, reduction of inflation and unemployment;
- improving the mobilization and skills of local staff.

The reduction in the supply of labour can also be affected by a reduction in their inflow to the labour market in rural areas and the encouragement of relocation, as well as the redistribution of working hours and available jobs among people employed in public production.

Improving the relative training of personnel in the country based on the "National Training Program" by expanding and increasing the duration of general education programs, increasing the number of full-time educational institutions, as well as students of correspondence and part-time forms of job cuts, an increase in paid and unpaid parental leave, benefits for pensioners, people with disabilities and their caregivers - an influx of labour in measures to mitigate the impact on the rural labour market.

To induce rural workers to switch to private and temporary forms of employment, establish the same types of social security, the number of holidays and other social guarantees for full-time workers, a

guaranteed minimum, this can be achieved by providing a certain amount of wages, timely provision of annual leave, reduction of working hours day and workweek.

It is also should be focused on the factors that reduce and influence the supply of women in the labour force. The main factor is the expansion of employment in areas such as personal subsidiary farming, self-employment and private entrepreneurship. In rural areas, it is necessary to develop personal subsistence farming. Thus, 28.6% of the total income of rural families in the country comes from farm income.

Particular attention should be paid to the expansion of individual labour and private enterprise. The widespread introduction of crafts, various household services and processing technologies in rural areas will help solve the problem of finding jobs for unemployed women.

Various crafts such as embroidery, jewellery making, weaving, silk dyeing, sewing are of benefit to women.

Local authorities should facilitate the supply of appropriate equipment for the organization of production, obtaining soft loans and not interfere in the affairs and finances of small businesses. This will lead to the very rapid development of business, an increase in the well-being of the population, a sharp decrease in migration, and an increase in jobs.

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