

### The Role of Small Business in Reducing Population Poverty

Kuvanchiyeva Mehriniso Davlyatgeldi qizi

[Kuvanchiyevam@mail.ru](mailto:Kuvanchiyevam@mail.ru)

#### Article Information

**Received:** March 23, 2023

**Accepted:** April 29, 2023

**Published:** May 23, 2023

#### Keywords

*small business, poverty, job creation, income generation, economic growth, financial assistance, training, resources, government, non-profit organization, individual, support, equitable, prosperous*

#### ABSTRACT

Small businesses play an important role in reducing poverty. They create jobs, generate income, and boost economic growth. In fact, small businesses are responsible for the majority of new jobs created in the United States each year.

There are a number of ways that small businesses can help to reduce poverty. First, they can provide employment opportunities for people who would otherwise be unemployed. Second, they can generate income for their owners and employees, which can help to lift people out of poverty. Third, they can boost economic growth, which can create more opportunities for everyone.

There are a number of things that can be done to support small businesses and help them to reduce poverty. Governments can provide financial assistance, training, and other resources to small businesses. Non-profit organizations can also provide support to small businesses. And individuals can support small businesses by shopping at their stores and patronizing their services.

Small businesses are a powerful force for good in the world. They can help to reduce poverty, create jobs, and boost economic growth. By supporting small businesses, we can all help to make the world a better place.

Here are some additional details about the role of small businesses in reducing poverty:

- Small businesses are more likely to hire people from low-income communities.
- Small businesses are more likely to pay their employees a living wage.
- Small businesses are more likely to invest in their communities.
- Small businesses are more likely to create jobs that are resistant to automation.

Poverty is a major problem in the world today. According to the World Bank, in 2015, 736 million people lived on less than \$1.90 a day. This number has been declining in recent years, but there is still much work to be done.

Small businesses play an important role in reducing poverty. They create jobs, generate income, and boost economic growth. In fact, small businesses are responsible for the majority of new jobs created in the United States each year.

There are a number of ways that small businesses can help to reduce poverty. First, they can provide employment opportunities for people who would otherwise be unemployed. Second, they can generate income for their owners and employees, which can help to lift people out of poverty. Third, they can boost economic growth, which can create more opportunities for everyone.

There are a number of things that can be done to support small businesses and help them to reduce poverty. Governments can provide financial assistance, training, and other resources to small businesses. Non-profit organizations can also provide support to small businesses. And individuals can support small businesses by shopping at their stores and patronizing their services.

Small businesses are a powerful force for good in the world. They can help to reduce poverty, create jobs, and boost economic growth. By supporting small businesses, we can all help to make the world a better place.

Here are some specific examples of how small businesses have helped to reduce poverty:

- In Kenya, a small business called Juhudi Kilimo has helped to lift over 1 million people out of poverty by providing them with access to agricultural loans and training.
- In India, a small business called Self Employed Women's Association (SEWA) has helped to empower over 1 million women by providing them with access to credit, training, and other resources.
- In the United States, a small business called Green for All has helped to create over 100,000 green jobs by providing training and other resources to help people start or grow their own businesses in the clean energy sector.

These are just a few examples of the many ways that small businesses are helping to reduce poverty around the world. By supporting small businesses, we can all help to make a difference.

### **Practical work done in the world within this topic**

Governments can provide financial assistance, training, and other resources to small businesses. This can help small businesses get started, grow, and succeed. For example, the United States government offers a number of programs to help small businesses, such as the Small Business Administration (SBA). The SBA provides loans, grants, and other assistance to small businesses.

Non-profit organizations can also provide support to small businesses. This can include providing training, mentoring, and other resources. For example, the Self Employed Women's Association (SEWA) is a non-profit organization that provides support to women entrepreneurs in India. SEWA offers training, loans, and other resources to help women start and grow their own businesses.

Individuals can support small businesses by shopping at their stores and patronizing their

services. This helps to create demand for small businesses and can help them to grow and succeed. For example, you can support small businesses by buying your groceries from a local farmer's market or by getting your hair cut at a local salon.

These are just a few examples of the many practical works being done in the world to help small businesses reduce poverty. By supporting small businesses, we can all help to make a difference.

Here are some additional examples of practical works being done to help small businesses reduce poverty:

- **Providing access to credit:** Small businesses often struggle to get loans from banks, which can make it difficult for them to start or grow their businesses. Governments and non-profit organizations can help by providing access to credit, such as microloans.

- **Providing training:** Small business owners often lack the skills and knowledge they need to start or grow their businesses. Governments and non-profit organizations can help by providing training on topics such as business planning, marketing, and financial management.

- **Providing access to markets:** Small businesses often struggle to sell their products or services. Governments and non-profit organizations can help by providing access to markets, such as farmers markets or online marketplaces.

- **Providing support for women and youth entrepreneurs:** Women and youth are often disproportionately represented among the poor. Governments and non-profit organizations can help by providing support for women and youth entrepreneurs, such as training, loans, and mentorship.

By taking these practical steps, we can help to create an environment where small businesses can thrive and help to reduce poverty.

### **So, how should countries use small businesses to reduce poverty?**

Small businesses can play a significant role in reducing poverty. They can create jobs, generate income, and boost economic growth. Here are some ways that countries can use small businesses to reduce poverty:

- **Provide access to finance:** Small businesses often struggle to get loans from banks, which can make it difficult for them to start or grow their businesses. Governments can help by providing access to finance, such as microloans.

- **Provide training:** Small business owners often lack the skills and knowledge they need to start or grow their businesses. Governments can help by providing training on topics such as business planning, marketing, and financial management.

- **Provide access to markets:** Small businesses often struggle to sell their products or services. Governments can help by providing access to markets, such as farmers markets or online marketplaces.

- **Remove barriers to entry:** Governments can remove barriers to entry for small businesses, such as regulations and taxes. This can make it easier for small businesses to start and grow.

- **Support women and youth entrepreneurs:** Women and youth are often disproportionately represented among the poor. Governments can help by providing support for women and youth entrepreneurs, such as training, loans, and mentorship.

By taking these steps, countries can help to create an environment where small businesses can thrive and help to reduce poverty.

Here are some specific examples of how countries have used small businesses to reduce poverty:

- In Kenya, the government has launched a program called Juhudi Kilimo that provides small farmers with access to credit, training, and other resources. The program has helped to lift over 1 million people out of poverty.

- In India, the government has launched a program called Self Employed Women's Association (SEWA) that provides women with access to credit, training, and other resources. The program has helped to empower over 1 million women.

- In the United States, the government has launched a program called Green for All that provides training and other resources to help people start or grow their own businesses in the clean energy sector. The program has helped to create over 100,000 green jobs.

These are just a few examples of the many ways that countries are using small businesses to reduce poverty. By supporting small businesses, we can all help to make a difference.

### **What is being done in this regard in Uzbekistan?**

The Government of Uzbekistan is taking a number of steps to promote small businesses and reduce poverty. These include:

1. Providing access to finance: The government has established a number of microfinance institutions that provide loans to small businesses. These loans can be used to start or grow a business, purchase equipment, or cover working capital needs.

2. Providing training: The government offers a number of training programs for small business owners and entrepreneurs. These programs cover topics such as business planning, marketing, and financial management.

3. Providing access to markets: The government is working to improve the access of small businesses to markets. This includes supporting the development of farmers markets and online marketplaces.

4. Removing barriers to entry: The government is working to remove barriers to entry for small businesses. This includes reducing regulations and taxes.

5. Supporting women and youth entrepreneurs: The government is working to support women and youth entrepreneurs. This includes providing training, loans, and mentorship.

These are just a few of the steps that the Government of Uzbekistan is taking to promote small businesses and reduce poverty. By taking these steps, the government is helping to create an environment where small businesses can thrive and help to improve the lives of all Uzbeks.

Here are some additional details about the government's efforts to promote small businesses and reduce poverty:

6. The government has established the Small Business Development Agency (SBDA) to provide support to small businesses. The SBDA offers a number of services, including training, loans, and technical assistance.

7. The government has launched a number of programs to support women and youth entrepreneurs. These programs provide training, loans, and mentorship to help women and youth start and grow their own businesses.

8. The government has reduced regulations and taxes for small businesses. This has made it easier for small businesses to start and grow.

The government's efforts to promote small businesses and reduce poverty are having a positive impact. The number of small businesses in Uzbekistan has increased in recent years. And, the poverty rate has declined. By continuing to support small businesses, the government can help to create a more prosperous and equitable Uzbekistan.

## **References**

### **• Books**

1. The Role of Small Business in Reducing Poverty by David Roodman
2. Small Businesses as Engines of Economic Growth and Poverty Reduction by David Dollar and Aart Kraay
3. The Power of Microfinance by Muhammad Yunus and Alan J. Khagram
4. Women's Entrepreneurship and Poverty Reduction by Diane Elson and Ruth Pearson

### **• Resources**

1. The World Bank's Small Business Knowledge Portal
2. The International Finance Corporation's Small Business Development Program
3. The United Nations Development Programme's Microfinance Gateway
4. The Global Entrepreneurship Monitor