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## Measures to Ensure Employment in Uzbekistan Through the Support of Small Business and Entrepreneurship

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**Abstract:** The article discusses the problems of small business and entrepreneurship in Uzbekistan and employment through the establishment of new small enterprises and micro-firms, as well as the role and importance of small business in the further development of economic potential, employment promotion and development of mechanisms to increase direct income. The development of the economy, the liberalization of entrepreneurial activity in addressing issues related to the creation of new jobs, increasing employment, the development of local industries based on the efficient use of local resources. The issues of improving the export potential of the country, taking measures to further increase the importance of this small business and entrepreneurship, the organization of production on the basis of local resources, require less investment, ie allow them to quickly adapt to market conditions.

**Keyword:** Tax Revenues; GDP; Economic Reforms; Economic Freedom; Resource Turnover.

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### Introduction

Worldwide, the closure of millions of businesses and organizations due to the coronavirus pandemic has affected 2.7 billion workers. There is a risk that the number of poor people in the world will almost double, or 500 million people. Due to quarantine in Uzbekistan, the volume of production and services at 196,000 enterprises has sharply decreased. Thanks to quarantine, of course, the number of unemployed has also increased. This can also be seen in the 20-day tax revenue in April. In particular, in some regions 30-40%, and in some districts and cities more than 50%.

Small business provides about 60% of the country's GDP, a third of industrial output, 98% of agricultural output and half of investments. In most regions, small businesses account for 70-90 percent of exports.

The current stage of economic reforms in Uzbekistan is characterized by the development of small business and private entrepreneurship, giving it broad economic freedom. In this regard, special attention is paid to the development of small business and private entrepreneurship in the country. Because the issue of development of small business and private entrepreneurship is considered as a

strategic task of the economic policy of our state.

The products produced by small business and private entrepreneurship are not limited to satisfying the needs of the population of our country, but also increase foreign exchange earnings on the basis of its export, meet the needs of the population in other imported products at the expense of foreign exchange.

### Materials and Methods

According to statistics, the number of small businesses in Uzbekistan was 13.9 per 1,000 population. In the 1st quarter of 2020, 23.3 thousand new small enterprises and micro-firms (excluding farms and dehqan farms) were created, which is 23.4% less than in the same quarter last year. In terms of economic activity, the largest number of small enterprises and micro-firms was 9,312 in trade, 4,345 in industry, 2,637 in agriculture, forestry and fisheries, 1,844 in construction, 1,724 in housing and food, and 659 in transportation and storage.

**Key indicators of small business in the 1st quarter of 2020**

	Unit of Measurement	2019 1-Q	2020 1-Q	(+,-)
<b>Number of small enterprises and micro-firms operating</b>	1 unit	289659,0	352167,0	62508,0
<b>Number of newly established small enterprises and micro-firms</b>	1 unit	30442,0	23320,0	-7122,0
<b>Small business shares:</b>				
<b>GDP</b>	%	45,5	45,8	0,3
<b>Industry</b>	%	27,3	28,7	1,4
<b>Agriculture, forestry and fisheries</b>	%	97,1	97,3	0,2
<b>Investment</b>	%	38,6	54,6	16,0
<b>building</b>	%	71,8	72,3	0,5
<b>Trade</b>	%	85,2	85,0	-0,2
<b>Services</b>	%	53,6	51,3	-2,3
<b>Shipping</b>	%	43,9	42,5	-1,4
<b>Cargo turnover</b>	%	75,4	73,9	-1,5
<b>Passenger transportation</b>	%	90,4	89,4	-1,0
<b>Passenger turnover</b>	%	94,9	94,2	-0,7
<b>Export</b>	%	26,6	27,4	0,8

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**Results and Discussion**

The level of well-being of the population largely depends on the accumulated assets of households and the current income of families. For Uzbekistan, 98% of families have their own housing, regardless of their current financial status. The vast majority of families, including the majority of the poor in rural areas - 96.7%, have inherited farmland, where

they can grow agricultural products or run small businesses.

The currents of globalization and the laws of the world show that the most effective and rational way to solve modern problems of modern development and employment is to create opportunities for the opening and development of small and medium-sized businesses.

An analysis of world experience shows that the development of small business is used in a number of countries as a specific support for economic policy, Including:

1. The main area of employment;
2. Economic innovation potential source of 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 the taxes are provided by small business);
5. Prevention of production decline (Hungary, Czech Republic, Poland); inextricably linked with large business, is the basis for sustainable development of the country and increasing the competitiveness of its economy.

The important role of small business in the development of the economy is determined by the fact that it is an effective means of increasing the entrepreneurial activity of the population, the formation of entrepreneurship, which is a decisive creative force in a market economy. It is precisely because of this sector that there is an opportunity to mobilize internal resources that cannot be used centrally - free cash, material and labor resources of the population.

State support of small business in Uzbekistan During the years of independence, small business in the country has developed significantly. However, the pace of establishment of small enterprises, their sustainable development and their role in the overall economic system still do not fully meet the requirements of a market economy. There are many difficulties in the development of small business, which can be overcome only on the basis of organizational and socio-economic measures taken by the state.

The main task today is to create economic and legal conditions to stimulate the development of small business and entrepreneurship in our country, on the other hand, it is planned

to invest in it material and financial resources. Government support should be manifested in the form of reasonable rotations, preferential procedures in taxation, lending, insurance and investment, and so on. In this case, there will be no incentive to be dependent and it will not be seen by small businesses as a permanent condition or as a major source of increasing competitiveness and profitability. In modern conditions, the main principle of state support should be the gradual reduction of administrative-directive management of business and the creation of economic and legal conditions for the normal functioning of the market economy.

### **Conclusion**

State support should be manifested as the creation of economic and legal conditions, factors for the development of business competitiveness, taking into account sectoral, geographical, national, historical features and traditions, as well as foreign experience.

Creating new jobs is important in providing employment to the population. In order to create employment opportunities for the population in a market economy, it is important to increase employment in industrial enterprises. Today, the necessary condition for the effective, high-productivity work of executors in any form of division of labor and cooperation is the creation and maintenance of jobs. How the workplace is the first link in the production and labor process, it is in the workplace that all three elements of the production process: labor, tools and labor, that is, the live labor of the executive, are united, and as a result of this cooperation new consumer values, labor products is created. That is why great attention is paid to job creation.

Although small and private enterprises tend to grow in development trends, their investment potential is still low. The structure of these enterprises shows that, as most of them specialize in non-manufacturing and trade, the investment potential is spent more on trade (not manufacturing) sectors, such as trade and catering.

Employment is only current, that is, today should not be limited to measures. It is necessary to develop a mechanism for its implementation and implementation of all important measures to bring it to a higher

level of quality. This mechanism should be based on the establishment of a qualitative, structural (by industry, region, occupation, etc.) balance between labor demand and its supply. One of its key elements is to provide the economy with highly qualified personnel. The basis of this process is determined by the real need for staff. It is necessary to create ample opportunities for graduates of schools, lyceums and vocational colleges not only to be engaged in production, but also to start their own businesses. In particular, it is necessary to further increase the volume of microcredits based on sound business plans. Another important issue at this level is to ensure the effective functioning of vocational schools, both at the higher and secondary special levels. To do this, in our opinion, it is necessary to establish a procedure for monitoring the activities of educational institutions on the basis of a realistic assessment of their activities.

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