



## The Role of Small Business in Ensuring Employment of the Population

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### ABSTRACT

This article talks about the role of small businesses and entrepreneurship in the employment of the population and the importance of private entrepreneurship development in ensuring sustainable economic growth and employment of the population. In this regard, as a continuation of the activities aimed at revitalizing economic reforms and further supporting business entities, the open dialogue held by the President of the Republic of Uzbekistan Sh.M. Mirziyoev with entrepreneurs in August 2022 is the basis for further development of this sector. created significant importance in raising the economic and social development of the country to a new, higher level.

### Keywords:

small business, entrepreneurship, population employment, economic reforms.

### Introduction

The development of small and medium businesses is one of the most important and promising areas of development of the economy of New Uzbekistan. Small and medium-sized enterprises in developed market economy countries make up a significant part of the gross domestic product (GDP) and are ultimately the sector that provides employment for the population [1-3].

Small business has a great role in the economy because it performs several important socio-economic tasks, such as providing employment in society, creating a competitive environment, supporting innovative activity, and eliminating social inequality. Features such as ease of organization of a small business, quick flexible decision-making, quick reorientation of production to other goods or services, and absorption of small initial investments are primarily directed to

meeting the needs of the regional market, which means that small allows business to quickly solve the issues of ensuring employment of the population and become a factor in the development of regional labour and employment markets [4-7].

### The main part

Analysis of the situation of small businesses in Uzbekistan shows that positive progress has been made in this area in recent years. If in 2016, 239,400 non-governmental enterprises were registered, by the beginning of 2021, this figure has reached 465,900. 98,500 of them are the private property of citizens, and 354,400 are other non-state-owned enterprises. The number of such micro-firms reached 411,500 and the number of small enterprises reached 25,500. As a result, by the end of 2020, the total number of people employed in the economy reached 13236.4 thousand people, of which 10753.3 thousand

people or 81.2% of the employed population worked in the non-state sector. The gross domestic product produced per capita amounted to 17,601.9 thousand soums compared to 2016 (8,020.1 thousand soums) 2, We can see that it has increased by 2 times. Analysis of small and medium businesses in Uzbekistan revealed several problems and contradictions [8-11].

First, small enterprises do not have financial opportunities to improve the skills of their employees, and as a rule, they are forced to hire unemployed people, pensioners, students, and housewives whose qualifications do not meet the requirements of the modern economy.

Second, despite the tax reforms, the heavy tax burden on small business entities leads them to enter the "shadow", the informal sector of the economy, or begin to evade paying taxes. At the same time, envelope wages deprive workers of social guarantees: a decent old-age pension, sick leave and maternity leave [12-14].

Thirdly, there are serious problems in material and technical support of small business entities: purchase or rent of land and production buildings; credit security; very high-interest rates on loans.

Fourth, it is administrative obstacles and corruption.

Small and medium-sized business creates a demand for labour resources only if it is supported by the state and develops stably. After the meeting of the President of the Republic of Uzbekistan in August 2022 "On measures to implement the tasks set in the "open dialogue" of the President of Uzbekistan with entrepreneurs in 2022," the decision was signed.

The "Roadmap" covering the following areas is approved by the document:

- targeted work on the categorization of business entities and their support;
- creation of a convenient financing system for the expansion of business activities and implementation of new projects;
- creation of sufficient conditions, infrastructure and guaranteed market for entrepreneurs;

- implementation of comprehensive measures to ensure property rights, turning the property into a real market asset;
- control over the activities of entrepreneurs and liberalize their accountability;
- organizing the implementation of the initiatives announced at the meeting with entrepreneurs and widely promoting the results of "open dialogue".

A public council for entrepreneurship support is established under the presidency, and it is chaired by the head of the presidential administration. Heads of ministries and departments and business representatives were included in the council. The main tasks of the public council are as follows:

- establishment of public control over the effective and timely implementation of proposals and initiatives expressed in "open dialogue" with entrepreneurs by ministries and agencies;
- ensuring effective cooperation between state bodies, business entities, scientific circles, non-governmental non-commercial organizations and other institutions of civil society;
- systematic monitoring and comprehensive analysis of public opinion on the most important issues affecting the rights, freedoms and legal interests of entrepreneurs, conducting public surveys, conducting them using information and communication technologies;
- development of proposals for the elimination of problems that are an obstacle to the development of entrepreneurship and submission to competent state bodies;
- conveying the essence of the reforms implemented in support of entrepreneurial activity to entrepreneurs, helping them to improve their legal culture and form their economic skills.

In order to monitor the implementation of the tasks defined in the "Roadmap", the heads of state agencies and organizations report to the Cabinet of Ministers every month. Quarterly

meetings in the presidential administration were scheduled.

### Conclusion

All of the above leads to the following conclusion. The state should make every effort to further develop small and medium-sized businesses because hindering the development of this economic layer will lead to irreversible changes, that is, the reduction of the middle class of society. , social discrimination begins, and price levels, goods and services go out of control, all of which lead to increased social tension and social conflict. In the state regulation of small businesses, first of all, it is necessary to apply several economic methods and tools, including taxes, excises, investments, loans, state orders, tariffs, state guarantees, etc. Subsidies, guarantees for loans from other sources and preferential taxation for small enterprises engaged in educational services and innovative activities. In turn, small businesses should be directed to the rational use of material and financial resources, hired labour and full satisfaction of their socio-economic needs in connection with the level of development and state of the economic system.

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