

## ORGANIZING SMALL BUSINESS ACTIVITIES

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### Abstract

As the new Uzbekistan develops rapidly, the income of the population plays an important role. At the heart of the reforms being implemented in our republic, it is an important task to create favorable conditions for representatives of the small business sector, support them socially and economically, provide them with comprehensive assistance, and create new jobs through business people engaged in entrepreneurship. The Resolution of the President of the Republic of Uzbekistan No. PQ-347 dated 04.10.2024 "On measures to improve and increase efficiency of state policy in the field of poverty reduction and employment" provides for the development of human resources, reform of the labor market, improvement of the quality of state services provided in the field of poverty reduction through the introduction of modern forms of employment, and the widespread introduction of decent labor relations based on international standards. In accordance with the Decree of the President of the Republic of Uzbekistan No. PF-143 dated September 23, 2024 "On bringing measures to reduce poverty and improve the well-being of the population to a new stage", the "From Poverty to Prosperity" program was adopted and the Ministry of Poverty Reduction and Employment was entrusted with the task of organizing the implementation of this program. With a view to introducing an integrated system for organizing the implementation of the "From Poverty to Prosperity" program, the following were determined as the main areas of activity of the Ministry of Poverty Reduction and Employment.

- analyze the composition of the unemployed population, identify them by address, keep track of them by name, analyze the labor market, forecast the demand for labor resources in developing sectors and industries, thereby identifying structural problems in the labor market, and actively cooperate with international labor organizations.
- poverty reduction - analysis of the dynamics and composition of poverty, lifting families out of poverty. - coordination of the activities of khokim assistants, development of entrepreneurship in makhallas, ensuring employment of the population, poverty reduction. At the same time, the decree paid attention

to the introduction of a project management system consisting of specific measures for districts (cities) or makhallas with a high level of poverty, improvement of the infrastructure of the most difficult makhallas, uninterrupted supply of irrigation water to households, electricity and internet to makhallas. It is envisaged to establish industrialized plantations, orchards and vineyards on leased agricultural land of 50-100 hectares in 50 districts by December 1, 2025, and in the remaining districts in 2026. By December 1, 2025, in districts where land plots were allocated on a lease basis, model projects were implemented on an area of at least 40 hectares for the cultivation of highly profitable and export-oriented agricultural products based on the principle of "one contour, one product". In districts where industry has not penetrated, 1,000 agricultural product processing and small-scale production projects were implemented by December 1, 2025, and 2,000 in 2026, and measures were considered to introduce at least 500 handicraft and home-based projects in the district itself each year, as well as to expand and develop them. The above-mentioned circumstances, as the socio-economic content of small business entities, imply the development, expansion of entrepreneurial potential (CP), ensuring its sustainable growth, and improving the institutional framework that allows for the productive and effective use of the initiative of independent economic management in order to improve the living standards of the country's population. Prospects for the development of small business in new Uzbekistan In recent years, serious changes have been taking place in the economic and political system, which creates favorable conditions for the development of small business. One of the main factors driving the development of small business in Uzbekistan is the reform and liberalization of the economy. The government of the country is actively implementing a policy aimed at simplifying the procedures for registering and licensing small business entities , as well as reducing the tax burden for entrepreneurs. This will help reduce administrative barriers and stimulate the development of new business projects. In addition, measures to support and finance small businesses are being considered in Uzbekistan. It should also be noted that there are great opportunities for the development of tourism and services in Uzbekistan as a socio-economic component of small businesses . The country is increasingly attracting tourists from all over the world due to its unique cultural heritage, natural attractions and geographical location. This creates broad opportunities for the development of

small businesses in the hotel, restaurant, transport and other related sectors. The availability of a qualified workforce is an important factor serving the development of small businesses. Uzbekistan has a young and educated population, which creates favorable conditions for the development of innovations and entrepreneurship, creating new jobs, ensuring employment and reducing poverty.

Share of small businesses in GDP

- 67.6% in 2019,
- 65.1% in 2020,
- 71.8% in 2021,
- 67.0% in 2022,
- in 2023 , and 72.9% in January-September 2024.

During the first 6 months of 2024, the export volume of small businesses in the economy amounted to \$ 3.8 billion, which is 28.9% of the total export volume of the Republic. The volume of products (works and The largest share of services in terms of export volume can be seen in the following regions.

-In Surkhandarya region -84.9%

-Syr Darya region -61.3%

- In Faranah region - 57.7%

- In Khorezm region -57.5%

is -50.2% . We can see that this indicator has increased by 3.4% compared to the corresponding period of 2023. As of October 1, 2024, the number of operating small enterprises and microfirms amounted to 32.1 thousand, which is a decrease of 4.3 thousand compared to the same period of the previous year. The number of small business entities was 12.8 units per 1,000 population. Newly established small enterprises and microfirms reached 4.9 thousand in January-September 2024. As of October 1, 2024, the largest number of small enterprises and microfirms operating by region was in Fergana city, 5291, or 16.5% of the total. The concept of "entrepreneurship" is a set of social relations that originate from the economic conditions of life, which constitute the sum of economic, legal, spiritual-psychological and historical events. The Scottish-French economist R. Cantillon, who lived in the 18th century, was the first to introduce his term "entrepreneur" in the history of economic doctrines. R. Cantillon understood the term "entrepreneur" as a person who works in risky conditions with various sources of income: a merchant, a robber, a beggar, and a person who buys other

people's goods at current prices and sells them at a previously unknown, higher price. Although the concept of "entrepreneur" was formed, its evolution continues in our time. This concept was formed as a result of scientific research on entrepreneurial activity by famous economists of that time R. Cantillon, A. Turgot, F. Quesne, A. Smith, J.B. Say and others. The doctrine of U. Petty, a contemporary of the above classics, "The father of wealth is labor, and the mother is land," is recognized as a new stage in the history of world economic theory and still occupies a worthy place in Western and world economic literature. According to J.B. Say, who lived and worked at the beginning of the 19th century, an "entrepreneur" is an agent who works with production factors, or rather, transfers economic resources from areas with low productivity and profitability to areas with higher profitability and productivity. Entrepreneur and entrepreneurship are interconnected consists of closely related categories. Coming from Persian, this is the introduction of innovations into the activities of the enterprise. Kor- this is a worker, if the word "work" is added to it as a prefix, the word "work" is formed. For example, a doctor, a rice farmer, a creator, a laborer, etc. In legal terms, "An entrepreneur is an individual or legal entity engaged in the production and sale of goods or products, the provision of services, the performance of work in order to obtain profit on a permanent basis, and in the process of this activity concludes civil and legal transactions on its own behalf." As the President of our country Sh. M. Mirziyoyev said: "An entrepreneur is a truly selfless person." Of course, in our opinion, in determining the place and status of an entrepreneur in society, regardless of the areas in which he operates, it is necessary to act based on his functional role in social development. However, the functional role of an entrepreneur is often associated with economic growth. It should be noted that only at the turn of the 19th century did political economists recognize the importance of the relationship between entrepreneurship and economic growth. The English economist A. Marshall recognized the crucial importance of economic entrepreneurship in economic growth. Based on this, he proposed the organization of production based on three classical factors - land, capital (capital), labor, and the fourth factor, which is considered to be "the necessary level of entrepreneurial ability and the required investment into a whole." Along with this, he is also the founder of a special form of entrepreneurship - cluster theory. Despite the fact that the concept of entrepreneurship has been used in theory and practice for almost three centuries,

its universal definition has not been formed and its multiple meanings remain. The main reason for this is that an entrepreneur is a multifaceted, multi-disciplinary, multi-faceted, multi-faceted complex activity. Thus, entrepreneurial activity is understood as an initiative individual or legal entity that is able to carry out entrepreneurship on the basis of property owned by him or another person in accordance with the procedure established by law, on the basis of risk, to receive unlimited income (profit) from it, to create innovations, to have his own property responsibility and to operate independently. The great Amir Temur, supporting entrepreneurial activity and glorifying entrepreneurship, emphasized that they bring great benefits not only to himself but also to society, and that a person should always be active, and in his statutes he states that "One businessman, courageous and courageous, determined, enterprising and vigilant person is better than thousands of indifferent, indifferent people". The concepts of entrepreneurship and business are interrelated and complement each other. The word "business" is an English word, which means entrepreneurial activity, or in other words, entrepreneurial activity aimed at making a profit. In the field of entrepreneurship, business is a profitable economic activity, and individuals engaged in this activity, as businessmen, serve to strengthen the country's economy, increase gross domestic product, create new jobs, increase their income, increase the well-being of the population, and thereby reduce poverty.

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