



THE IMPORTANCE OF BUSINESS DEVELOPMENT IN INCREASING HOUSEHOLD INCOME

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Annotation

This article analyzes the role of small business and private entrepreneurship in the development of the regional and national economy of the republic, as well as foreign countries, and its development trends in industries. Also, proposals and recommendations were developed for the further development of this sector as a result of accumulation of advanced foreign and local experience in this field.

Keywords: small business and private small business, business and private entrepreneurship entities, small business support system, key indicators of small business development.

Introduction

There are different approaches to the study of employment and labor market problems in economic theory, and the study of these theories concludes that in a market economy, especially when labor growth rates are high, labor supply and demand cannot be set in a free market. Without denying the basic principles of a market economy, the state is also required to regulate the economy to a certain extent. Regions play an important role in small business development. It is the local authorities that are well aware of the financial and material capabilities of their territory, the real needs of the population for certain types of products and services, areas of activity in terms of the region and ways to effectively use resources in the form of ownership. In his address to the Oliy Majlis on December 28, 2018, the President of the Republic of Uzbekistan said: "Every family is an entrepreneur", "Youth is our future", about 2 trillion soums have been allocated and more than 2,600 business projects have been implemented. Starting this year, 5.5 trillion soums have been left in the regions due to the over-fulfillment of taxes. That's six times more than last year, and 32 times more than in 2016 - I ask you to pay attention to that." The experience of our country in using the influence of local authorities in the development of business structures shows that in recent years, a sufficiently serious development of entrepreneurship has been ensured. It should be noted that as of January 1, 2018, more than 229.6 thousand out of 285.5 thousand enterprises operating in the country





are small businesses, and 10% of them are small enterprises operating in the construction sector.

From the organizational and legal point of view, 75.8 thousand of the total enterprises are private enterprises. In terms of regions, Tashkent region plays a special role in the development of entrepreneurial activity, accounting for 9.4% of the total number of operating enterprises in the region and is second only to Tashkent. However, in terms of the number of small businesses and micro-firms per 1,000 populations, it ranks 4th in the region and is 14.2 units. The number of registered small enterprises and micro-firms in the region is growing steadily. In particular, as of January 1, 2015, their number was 21,741, and the share of regions in the country was 9.8%.

As a result of measures taken to increase the role of local authorities in the development of entrepreneurship in the regions, as of January 1, 2018, this figure was 25,128, and the share of this region in this indicator reached 10.4%. The main problems observed in opening small businesses are the lack of necessary premises, problems with obtaining credit or high-interest loans. With this in mind, despite the annual development and approval of special programs for the development of small business in Uzbekistan, there are still shortcomings that hinder the development of small business. In our opinion, one of the main reasons for the above problems is the transition to a market economy on the basis of top-down administrative command, bypassing the interests of the entrepreneur, which is the basis of the market system. The logic of creating a market economy itself requires moving from the bottom up, ie from the interests of the entrepreneur to the creation of a centralized market infrastructure (tax, credit policy, banking, stock exchange, etc.) that implements and organizes this interest. It is impossible not to acknowledge the shortcomings associated with identifying the sources of initial capital formation for small business start-ups.

The main goal of the state's fiscal policy towards small business is to eliminate the negative situation in the credit market, to finance the shortcomings in its financial stability, as well as to finance quality programs and projects aimed at developing the internal capacity and competitiveness of small businesses. No fund can fulfill such a responsible task without a clear policy by the state to develop and support small business. In the development of small business and entrepreneurship in developing countries, there is great interest in copying the forms of regulation of small business development used in developed countries.

However, the analysis shows that such mechanically implemented foreign experiments applied in the regions of the country often do not contribute to the development of the industry, but lead to the deformation of its real features and the





weakening of advanced forms of entrepreneurship. The existing condition in Uzbekistan is the specificity of the conditions, the current state of the production structure, which requires a sufficiently large cost to change them. The high level of monopolization in production is one of the factors hindering the development of small business - it is manifested in the form of rising prices, negligence in the implementation of contractual relations, lack of incentives to improve production, improving product quality and reducing costs. Low competitiveness in production is due to the backwardness of the technological base in most industries, high capacity and resource capacity, low product quality and high costs.

A number of practical measures are being taken in our country to provide comprehensive support to small business and private entrepreneurship. Improving the use of information and communication technologies for the further development of export processes of business entities, providing them with the necessary innovative consulting services to increase the production of modern, competitive products in foreign markets and its export, organization of necessary interactive services, as well as financial and organizational assistance. requires work on reliable protection against the risks of changes in market conditions.

In order to further increase the export of small business and private entrepreneurship, it is necessary to accelerate e-commerce, create a database of goods and services, ensure the integration of the local Internet platform with international platforms to increase exports of local products, organize electronic exhibitions of local products. It will also be highly effective in improving the infrastructure of telecommunications networks, which will allow businesses to make electronic payments in foreign trade operations. In addition, it is necessary to pay attention to a number of other issues, such as the organization of filling the national system of the Internet with information, training in the field of e-commerce. As a result, it will be easier for small businesses and private entrepreneurs to export products.

Improving the global labor market requires the promotion of entrepreneurship aimed at activating this market, the allocation of subsidies to increase employment and the implementation of public works programs. In the context of the global financial and economic crisis, the regulation of the labor market in Uzbekistan makes it necessary to comprehensively stimulate and develop small business and private entrepreneurship and create new jobs. Indeed, small business and private entrepreneurship not only fill certain gaps in the economy, but are crucial in ensuring its diversification and sustainable growth. As a result of great attention and support of the state to small business and private entrepreneurship, its share in the country's GDP is growing from year to year.





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