

## Entrepreneurship - Basis of Economic Development and Financial Provision of Employment

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**Abstract:** The article deals with the development of entrepreneurship and employment of the population. The importance of a number of measures to ensure the stable development of entrepreneurship and the creation of additional jobs for them is noted. Particular emphasis is placed on measures to improve entrepreneurial subjects of the economy and their transition to a new quality and development. Such an approach to improving entrepreneurial activity will ensure not only the growth of employment, but also the growth of their labor incomes. To ensure the growth of the latter, the state creates all the necessary conditions for the development of entrepreneurship, including tax, customs, etc. privileges. It is noted that the more benefits, the greater the income growth of the employed population should be.

**Key words:** entrepreneurship, benefits, employment, income, efficiency, jobs, government support.

### Results of the conducted research

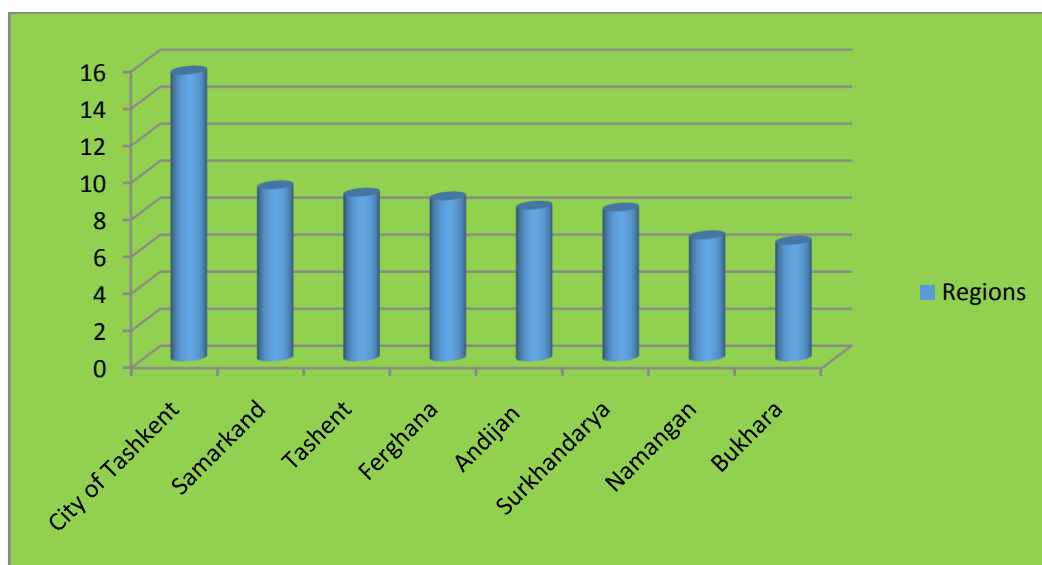
The innovative development of the economy of Uzbekistan has introduced new requirements to the agenda, among the priority ones are institutional changes and the formation of new business entities that are adequate to the requirements of the market for the formation of a competitive environment. First of all, they should include entrepreneurial entities created, first of all, both through the restructuring of existing industries and through the creation of new small businesses based on the funds of legal entities and personal savings of the population.

The patterns of formation of innovative development of small business in Uzbekistan are determined not only by the specifics of the formation of a new economic model of a socially oriented market economy, but also by the peculiarities of the formation of New Uzbekistan.

The share of small businesses in GDP of Uzbekistan in January-December 2020 was 53.9% [1]. The number of small businesses per 1000 people was 15.6 units. In January-December 2020, 93.2 thousand new small enterprises and micro-firms (excluding dehkans and farms) were created again, which is 0.4% more Share of small businesses than the same period in 2019, the State Statistics Committee of Uzbekistan said.

The largest number of small enterprises and micro-firms was created in the field of trade – 35 213 units, industry – 18 596 units, agriculture, forestry and fisheries – 14 969 units, construction – 6 009 units, accommodation and food services - 5637 units, transportation and storage – 2 397 units.

In terms of regions, the largest share falls on the city of Tashkent and in the total number of newly created small enterprises and microfirms is 15.5%, in Samarkand region - 9.3%, Tashkent region - 8.9%, Ferghana region - 8.7%, Andijan region - 8.2%, Surkhandarya region - 8.1%, Namangan region - 6.6%, Bukhara region - 6.3% [2].



**Fig.1. The Share of Newly Created Small Businesses by Regions[2]**

In January-December 2020, the number of operating small businesses per 1 000 people was 15.6 units.

In January-December 2020, in the regional context, the largest indicator of the number of small businesses (per 1000 population, units) was in the city of Tashkent - 32.0 units, Syrdarya region - 21.1 units, Navoi region - 21.0 units, in Jizzakh region this indicator reached 18.7 units, in Tashkent region - 17.4 units.

According to a survey of the activities of small enterprises and microfirms that had proceeds from the sale of products (goods, works and services) in the last reporting year, in the IV quarter of 2020, compared to the corresponding period of 2019, a favorable assessment of the general economic situation decreased at enterprises across all activities. Along with this, a satisfactory economic situation improved at industrial enterprises and their assessment, compared to the same period in 2019, increased by 1.4 points, construction - by 4.7 points, trade - by 6.8 points, as well as in the services increased by 6.2 points. In the IV quarter of 2020, compared to the corresponding period of 2019, in agriculture, forestry and fisheries there was an increase in the share of enterprises assessing the economic situation as unsatisfactory by 2.4 points, in industry - by 5.2 points, construction - by 7.5 points, trade - by 3.7 points, services - by 6.6 points[2].

Therefore, business entities are not only the most important structure-forming sector of the economy, ensuring the filling of the domestic market with consumer goods and increasing the export potential, but also as the main link in solving employment problems and increasing the level of real incomes of the population.

On August 20, 2021[3], the report of the President of the Republic of Uzbekistan on supporting entrepreneurial entities was heard with interest in the republic, and the State Program for Entrepreneurship Development Support was adopted on the basis of this report. Its main goal was: to involve wide sections of the population in market activities through the organization of small and private enterprises that increase the efficiency of management and create new jobs, especially in rural areas; commodity saturation of the domestic market and export orientation of production.

The entrepreneurship support program is mainly focused on stimulating the development of small and private businesses; it defines the main directions for stimulating this sector of the economy.

Active state support for entrepreneurship also brought its first positive results in the fourth quarter of 2021.

As we know, the level of development of entrepreneurship is largely determined by the entrepreneurial climate in the country. It, in turn, is determined by the regulatory and legislative

framework that stimulates this sector of the economy, as well as credit, tax, and customs policies implemented by the state and the availability of market infrastructure.

In the conditions of the revival of New Uzbekistan, the fundamental principles for the development of entrepreneurship were also determined - the freedom of entrepreneurship, the diversity of forms of ownership and competition. It is essential that the state has limited its intervention in entrepreneurial activity as much as possible.

It should be noted that state stimulation of entrepreneurial activity is carried out by:

- creation of conditions for attracting innovative investments into the sphere of entrepreneurship (including foreign, modern technologies and equipment, as well as for the development of market infrastructure institutions;
- taking measures to expand the participation of business entities in export-import operations, international exhibitions and fairs, in the implementation of various programs and projects in the field of foreign economic activity;
- providing business entities with legal, statistical, production-technological, scientific-technical and other information for their effective activity;
- Establishment of additional benefits for taxes, fees and tariffs.

Measures of state support for the implementation of projects in priority areas of entrepreneurship development, in accordance with the country's development strategy, are not limited to providing them with tax, customs and other benefits [4].

According to this paramount Decree of the President of the Republic, in 2017-2021, institutional and structural reforms were continued aimed at reducing the presence of the state in the economy, further strengthening the protection of the rights and the priority role of private property, and stimulating the development of small businesses and private entrepreneurship. During 2017-2021, especially in the context of the corona virus (COVID -19) pandemic, reliable protection of private property guarantees was ensured; all obstacles hindering their development were removed. A favourable business environment was created for the development of small businesses and private entrepreneurship, and illegal interference by state and regulatory bodies in the activities of business structures was strictly suppressed.

All this led to the fact that in the most difficult conditions for our society (caused by the corona virus pandemic), oddly enough, the country achieved great success in 2017-2021. Thanks to the vigorous activity of business entities, economic growth was ensured, thousands of new jobs were created, the export potential of the Republic was increased due to entrepreneurial activity, and a significant decrease in inflation was achieved. All this, ultimately, led to an increase in the labor income of the population engaged in useful work.

The system of state monitoring of the implementation of these projects plays a significant role, which can ensure proper control and coordination of the activities of government bodies. The adoption of the Law "On Guarantees of Freedom of Entrepreneurial Activity"[3] and the relevant decrees of the President made it possible to create an effective system of incentives and guarantees for the formation and development of a class of real owners. The program facilitated the taxation system, reduced and simplified the accounting and reporting procedures for business entities.

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