



EMPOWERING COMMUNITIES: SMALL BUSINESS AND ENTREPRENEURSHIP IN DRIVING EMPLOYMENT AND INCOME GROWTH WITHIN THE SERVICE SECTOR

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A B S T R A C T	KEY WORDS
This study delves into the pivotal role played by small businesses and private entrepreneurship within the service sector, focusing on their impact on employment generation and income augmentation for communities. Investigating the dynamic landscape of service-oriented ventures, this research explores the multifaceted contributions of small enterprises and entrepreneurial endeavours in fostering job creation and elevating the financial well-being of the populace. Through an analysis of case studies, economic models, and empirical data, this study aims to shed light on the significance of these entities in catalyzing economic growth, empowering communities, and shaping a sustainable framework for income augmentation.	Small Businesses, Private Entrepreneurship, Service Sector, Employment Generation, Income Growth, Community Development, Economic Empowerment, Job Creation, Entrepreneurial Ventures, Economic Impact, Service Industry, Microenterprises, Income Enhancement, Employment Opportunities, Socioeconomic Growth.

Introduction

Improving the efficiency of small business and private business entities in the field of service in the context of modernization of the economy and improvement of the population's well-being is one of the important issues facing the country's economy today [1-3].

In particular, it is very important to determine the perspective of improving the efficiency of small business and private business entities in the service sector, which is recognized as the main driving force of ownership, to improve their organizational and economic mechanisms, and to develop scientifically based proposals and practical recommendations in this field. Because of the improvement of market relations, further liberalization of the economy, the development of small business and private entrepreneurship activities, as a result of which the country's budget stability, gross domestic product (GDP) production, and employment of the population are being solved. As a result of the creation of certain conditions for the development of this sector, the determination of tax, customs and other payment benefits, the effective use of bank loans, the number of small

businesses and private enterprises is increasing in a short period. But there are some problems in this regard. The main reason for this is the lack of creation of an economic mechanism for small business and private entrepreneurship that meets today's requirements, the use of economic tools in their activities, economic relations with other business entities, and the lack of improvement of relations with state authorities [4-7].

Literature Review

There are several scientific works of domestic and foreign economists dedicated to the development of small business and private entrepreneurship and the criteria for evaluating their activity. Theoretical foundations and social importance of entrepreneurial activity A. Smith, J. B. Say, D. M. Keynes, Y. Schumpeter, A. V. Chayanov [8], K.A.Raitsky [9], I.A.Juravleva [10], A.P.Kiselev [11] and other economists studied. They contributed to the development of the theory of small business and private entrepreneurship. In the years after independence, several scientific researches were carried out on this topic by the scientists of our country. In particular, S.S. Gulomov⁵, Yo.Abdullaev⁶, M.S. Kasimova [12], B.Khodiev [13], A.Abdullaev [14], D.Suyunov [15], M.Q.Pardaev [16], S.K. Salaev [17], B.A. Abdukarimov [18], G.S. Sevlikyants, and E.N. Khadjaev [19] research in this regard should be highlighted.

However, the result of the analysis of scientific literature showed that the issues of improving the efficiency of small business and private business entities in the service sector have not been sufficiently researched.

Materials and Methods

Significant work is being done in the republic to ensure employment and increase the income of the population through the development of small businesses and private entrepreneurship in the service sector. If the population is employed, it means that they have the opportunity to earn and increase it. All legal grounds and conditions have been created for this in our country.

The Law of the Republic of Uzbekistan "On Guarantees of Freedom of Small Business and Private Entrepreneurship" clearly defines the obligations to increase the income of the population. In it, "Small businesses and private entrepreneurs are obliged to make timely calculations with employees engaged based on recruitment" it is said [20].

As a result of increasing the convenience of the business and investment environment for business entities, reducing the tax burden on enterprises, and the opportunities created for the development of family businesses and private estates, positive indicators that have not been observed for several years are recorded in the labour market this year.

The employment rate of the population increased and the unemployment rate decreased by 0.4 per cent compared to the beginning of 2019 and reached 8.9 per cent as of October 1 of this year. The number of officially employed population increased by 5.7% or 308 thousand people compared to the corresponding period of 2018 and reached 5.7 million people. The number of economically inactive populations decreased by 200,000 to 4.0 million people who emphasized that [21].

The decision of the President of the Republic of Uzbekistan Sh.M. Mirziyoev "On measures aimed at attracting poor and unemployed people to entrepreneurship, increasing their labour activity and vocational training" was adopted. Based on this Decision, in the Address of the President of the Republic of Uzbekistan to the Oliy Majlis, poverty reduction was identified as one of the most

important tasks. According to estimates, 12-15 per cent of the republic's population, or 4-5 million people, live in poverty." stated that [21].

Ensuring the implementation of the Decree of the President of the Republic of Uzbekistan dated March 2, 2020, No. PF-5953 "On the implementation of the strategy of actions on the five priority directions of the development of the Republic of Uzbekistan in 2017-2021 in the "Year of development of science, enlightenment and digital economy", as well as the implementation of the poor and attracting the unemployed population, especially women, young people to entrepreneurship and increasing their labour activity, strengthening citizens' confidence that they can change their own and their family's living conditions, income and level of education.

In the report to the Oliy Majlis dated December 28, 2018, the amount of wages, pensions, stipends and social allowances has been significantly increased compared to previous years to improve the well-being of the population. In particular, for the first time in the last 10 years, the salary of teaching staff was increased by 50% [22].

"Every family is an entrepreneur", within the framework of programs such as "Youth - Our Future", about 2 trillion soums were allocated, and more than 2,600 business projects were implemented locally.

Particular attention was paid to the rapid development, promotion and support of small business and private entrepreneurship, which play an increasingly important role in ensuring economic growth, creating new jobs, solving the employment problem, and increasing the income and well-being of the population.

The first President of the Republic of Uzbekistan, I.A. Karimov, is paying special attention to the measures related to the simplification of the authorization process and the optimization of payments. In particular, in 2009, efforts to reduce expenses of entrepreneurs related to the organization of their work were continued, including:

- the cost of obtaining architectural-planning task sets - 4 times;
- examination of project-estimate documents - 2.5 times;
- the cost of registration of cadastral documents was reduced by 2 times.

The effectiveness of small business and private entrepreneurship is increasing, significant work is being done to ensure employment of the population. New small business and private business entities are opening in the service sector by attracting foreign investments and local commercial banks. The installation of modern equipment serves to increase the quality of consumer products and fill the domestic market. The development of small business and private entrepreneurship in the service sector leads to an increase in population employment. is bringing Already, the most optimal way to provide employment and increase the income of the population, which is considered one of the current problems, is the development of small business and private entrepreneurship.

It should be noted that the share of small business and private entrepreneurship in the GDP of the Samarkand region is growing faster than in our country. In our opinion, the main reason for this is the increase in the number of subjects in this field as a result of the increased attention of the regional leadership and official organizations to this field, which led to a sharp increase in the volume of produced products and services. In our opinion, the current situation can be assessed as positive in all respects [23-27].

The increase of jobs in the republic serves not only to ensure the employment of the population and to increase the employment of the population but also to develop our economy. In this regard, the

employment of the population in small business and private entrepreneurship is increasing year by year. The regional program on permanent jobs created in the projects implemented within the framework of the decision PQ-4227 of the President of the Republic of Uzbekistan dated March 5, 2019 "On the provision of employment and creation of new jobs in 2019" was approved [28-31].

In this decision, the tasks to be performed by the ministry, agencies, state and economic management bodies according to the defined parameters for ensuring the implementation of the Program are specified.

According to the approved program, 39,952 jobs were to be created in 2019, of which 45,114 jobs were actually created in January-December (39,952 according to the program) and 112.9% of the program was completed.

From this:

- 4177 at the expense of large projects (economic management bodies);
- 14,039 at the expense of small projects (local projects, without taking loans at the expense of own funds);
- 3070 at the expense of non-functioning, inefficiently used buildings and unfinished objects;
- 709 at the expense of social and other objects that are started from the budget funds;
- 1,122 at the expense of social objects that are launched based on public-private partnerships;
- 3082 at the expense of craft development;
- 18,915 jobs created at the expense of lending;

From this:

- 15,447 from the funds of commercial banks;
- 944 at the expense of the state employment assistance fund;
- 985 from the funds of regional funds for the promotion of new jobs;
- 743 from the funds of the fund for the support of farmers, peasant households and homestead landowners;
- 796 new jobs were created at the expense of the "Yoshlar-Kelajagmiz" fund.

The total population in Samarkand region in 2019 is 3827.9, of which labor resources is 2122.1, the economically active population is 1617.6, economically inactive population is 504.4, employed population is 1468.7, of which; 503.7 jobs in the official sector of the economy, 965.0 jobs in the informal sector of the economy, 343.1 people who went to work outside the republic, 148.8 people in need of employment, the unemployment rate is 9.2%. Hiring for January 1, 2019. 157.3 people in need of accommodation made up 9.7%, compared to last year, people in need of work decreased by 8.5 people or 5%.

In January-December of this year, 58,594 unemployed citizens applied to the city and district employment assistance centres, of which 32,505 (55.4%) were employed in various sectors of the national economy.

The study and analysis of statistical data of the General Directorate of Labor and Social Protection of the Population showed that in 2018, a total of 85,700 new jobs were created in the districts and cities of the region. 77,800 of these jobs were created in rural areas.

In the opinion of the author, it is necessary to implement the following for the further development of small business and private business entities and to ensure the employment of the population and increase their income:

- taking into account the fact that the majority of the population of the region lives in rural areas and the position of the region in the republic's agriculture, the establishment of mini-shops for the processing of agricultural products;
- introduction of a rational logistics system to improve the process of selling their products through wholesale and retail directly for small businesses and private enterprises;
- to ensure the competitiveness of the products of small businesses and private enterprises, to assist them in solving the issues of continuous electricity and water supply by local governments in an appropriate manner;
- establishment of joint ventures within the scope of small business and private entrepreneurship entities, attracting foreign investments, in regions with opportunities for processing agricultural products, and production of industrial and construction materials at the expense of local raw materials.
- In rural districts, except settlements with a population of more than 5,000, individual entrepreneurs who have organized hairdressing services, tailoring services on individual orders, shoe repair services, as well as public baths, all types of businesses until July 1, 2023, are exempt from paying taxes;
- individual entrepreneurs are exempted from paying the fixed tax paid to each hired employee;
- Family business entities without establishing a legal entity may hire up to 3 permanent employees, and enter into employment contracts with them, as well as other close relatives of working age, including spouses of children and grandchildren of working age, brothers and sisters of working age. has the right to involve brothers and sisters, and their spouses as participants in a family business without establishing a legal entity;
- following paragraph 6 of this decision, individual entrepreneurs who received microcredit for the first time are exempted from paying a fixed tax within 6 months from the date of receiving it;
- self-employed persons pay a fixed monthly tax on goods transportation services at the rate of 2 times the minimum wage in road transport with a load of more than 3 tons.

Conclusions

The importance of the role of small business and private entrepreneurship in the development of the economy and in providing employment and increasing the income of the population was substantiated. It was proved that the development process of entrepreneurship in Uzbekistan consists of 4 stages. Criteria, indicators and ways of determining the effectiveness of small business and private entrepreneurship were recommended. Factors influencing the improvement of the efficiency of small business and private entrepreneurship, and their classification and evaluation methods were developed. The objective necessity and importance of the organization of free economic zones in the development and improvement of efficiency of small business and private entrepreneurship was revealed. The directions for using the possibilities of the city of Karshi were based on this. The main directions of increasing the efficiency of small business and private entrepreneurship were shown. These include:

- taking into account the fact that the majority of the population of the region lives in rural areas and the place of the region in the republic's agriculture, organization of mini-workshops for the processing of agricultural products;

- introduction of a rational logistics system for direct business to improve the process of selling its products through wholesale and retail trade;
- optimization of current taxes, determination of benefits, in particular, determination of their differentiated amounts based on the real capabilities of cities and villages;
- to make it possible to ensure the competitiveness of the products of business entities, help them to solve the issues of uninterrupted electricity and water supply by local governments in an appropriate manner;
- establishment of joint ventures within the framework of small business and private entrepreneurship entities, attracting foreign investments, in districts with opportunities for processing agricultural products, production of industrial and construction materials at the expense of local raw materials;
- development of various historical and traditional types of small business and private entrepreneurship in urban and rural areas and acceleration of the provision of competitive services based on effective and economical use of existing economic resources;
- taking into account that 47% of the population of the republic is made up of young people, focusing at the government level on expanding the types of services that meet their demands and needs (computer, Internet, photo and beauty salons, hairdressing salons, etc.);
- it is possible to explain the guarantees and benefits established by law to entrepreneurs and organize meetings, educational seminars, and training courses to further improve their economic and legal knowledge.

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