

THE ROLE OF ENTREPRENEURIAL ACTIVITY IN THE SOCIAL PROTECTION SYSTEM IN SURKHONDARYA REGION (2000–2016)

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ABSTRACT	KEYWORDS
<p>This article analyzes the role of entrepreneurial activity, particularly small businesses and private entrepreneurship, in the social protection system of Surkhondarya region during 2000–2016, based on scientific sources and statistical data. The study highlights issues such as creating new jobs through small business entities, providing employment for low-income groups, forming a middle-class segment, and strengthening regional social stability. In addition, the significance of sponsorship and charitable activities, state programs, and preferential loans provided by commercial banks and funds in supporting socially vulnerable segments of the population is examined.</p>	<p>Surkhondarya region, entrepreneurial activity, small business and private entrepreneurship, social protection, sponsorship and charity, preferential loans.</p>

Introduction

During the years of independence, in the process of gradually transitioning to a market economy in the Republic of Uzbekistan, the development of entrepreneurial activity and the social protection of the population became one of the priority directions of state policy. In particular, creating new jobs, expanding sources of income for the population, and improving the socio-economic conditions of low-income groups through the support of small businesses and private entrepreneurship were identified as important tasks. In this process, entrepreneurship emerged not only as a factor of economic growth but also as a key mechanism ensuring social stability. In Surkhondarya region, from 2000 to 2016, the development of small businesses, micro-enterprises, farms, peasant households, and family entrepreneurship entities played a significant role in providing employment and strengthening the social protection system.

Results and Discussion

Small businesses played an important role in social protection of the population. They contributed to the formation of a middle-class segment in society and helped supply the domestic market with consumer goods. Overall, participation of the population in entrepreneurial activity increased in the Republic of Uzbekistan. According to 2003 data, enterprises in Surkhondarya region employed 149,543 people in partnerships, 68,582 in farms, 28,287 in joint-stock companies, and 28,516 in private

enterprises. These employees carried out significant work to provide social protection for the low-income population [1].

At the same time, it should be noted that, for various reasons, the number of economically inactive people in the region also increased. In 2003, 51,697 young people in Surkhondarya were receiving education while being excluded from production activities, 40,487 women with many children did not participate in socially useful work, 24,701 women were on maternity leave without working, 52,463 women were occupied with child-rearing for children under three, and 7,223 individuals received pensions under preferential conditions. In addition, 22,570 citizens were recorded as unemployed [2]. Thanks to the development of small businesses and private entrepreneurship in Surkhondarya region, significant positive results were achieved in social protection of the population. The establishment of micro-firms developed particularly rapidly. Micro-firms, a form of small business and private entrepreneurship, cover various directions in production and service sectors. Typically, micro-firms operate quickly and flexibly, and in the field of production they were an important factor in social protection, especially in quickly solving the problem of providing employment for the population. In particular, in 2003, a total of 11,533 micro-firms operated in Surkhondarya region; this number increased to 13,432 in 2004 and 15,615 in 2005. Similarly, the number of small enterprises in the region increased year by year. In 2004, there were 1,944 such enterprises in the region; in 2005, 1,224; and in 2006, 1,327 [3:22]. These numbers were particularly high in Termiz city, and in Jarqo'rg'on, Uzun, and Sherobod districts. At the same time, such positive developments were not uniform across all districts. For example, in Bandixon district, 71 small enterprises operated in 2004, which decreased to 37 in 2005 and 22 in 2006. A similar situation was observed in Muzrabot, Sariosiyo, and Qiziriq districts [4].

In providing material and economic support to low-income segments of the population, sponsorship activities were effectively used. In 2005, a contest was held under the slogan "Let's not lag behind each other in good and righteous deeds" in the "Best Sponsor and Doctor" category. Fourteen districts and one city participated in the contest. Ten sponsor-representatives from Surkhondarya region who won in the districts and cities were recommended for the republican-level contest [5].

The sponsorship movement and acts of charity and benevolence became widespread. Significant positive work was carried out in Surkhondarya region in this regard, and comprehensive measures were developed to promote the ideas of charity and benevolence. Television channels at the republican and regional levels broadcasted programs about sponsorship, and sections such as "To Whom Should We Do Good First?" and "Charity and Patriotism" were created in mass media to explain the objectives and tasks of the sponsorship movement.

In the Republic of Uzbekistan, as well as in Surkhondarya region, taking into account the significance of the sponsorship movement in Uzbek culture and mentality, its broad promotion naturally led to its popularization and active participation of entrepreneurs and businesspeople in the process. This movement particularly intensified in 2006, designated as the Year of Sponsors and Doctors. Specifically, in accordance with Decree No. PQ-266 of the President of the Republic of Uzbekistan dated January 23, 2006, "On the Program of the Year of Sponsors and Doctors," measures were implemented across the country, regions, cities, districts, and settlements to provide tangible assistance and moral support to socially vulnerable groups of the population, primarily people with disabilities, elderly individuals living alone, low-income families, and orphans. Improving conditions in boarding

schools for the elderly and disabled, “Mehribonlik” homes, and boarding schools for children with physical and mental developmental delays was established as one of the main tasks of the program [6]. Based on this decree, the sponsorship movement in the region developed significantly. For example, in 2006 alone, the regional branch of the “Ekosan” international fund provided sponsorship assistance totaling 22.4 million soms. From the Qumqo‘rg‘on district branch, 120,000 soms were allocated to 45 children; from the Sariosiyo district branch, 45,000 soms were provided to 30 children; likewise, in Uzun district, assistance was given to 55 children, and in Jarqo‘rg‘on district, to 65 children. Overall, in 2006, only through initiatives of the “Mahalla” fund branches, 1.4 billion soms were allocated to support socially vulnerable individuals in the region [7].

Under the “Year of Sponsors and Doctors” program, a total of 161 children’s sports facilities were handed over in Uzbekistan in 2006, of which 18 were newly constructed, 108 school gyms and 35 sports complexes were renovated. In 2006, Uzbekistan’s GDP increased by 7.3 percent. Industrial output grew by 10.8 percent, agriculture by 6.2 percent, investments by 11.4 percent, construction and contracting works by 12.8 percent, and services by 19.5 percent, showing a 1.6-fold increase compared to 2000. In 2006, the industrial sector’s share of GDP increased from 14.2 percent in 2000 to 22.1 percent, the services sector’s share increased from 30 percent to 39.5 percent, while agriculture’s share decreased from 32 percent to 24 percent. Foreign investments amounting to 250 million USD were attracted to modernize fuel and energy networks. In 2006, output in the machinery and metal processing industry increased by 25.7 percent, in the chemical and petrochemical industry by 19.6 percent, in the food industry by 28 percent, in light industry by 20 percent, in wood processing and furniture production by 18 percent, and in construction by 12 percent [8:110, 155–157].

Decree No. PQ-308 of the President of the Republic of Uzbekistan dated March 23, 2006, “On Measures to Encourage the Increase of Livestock in Personal Helper, Peasant, and Farmer Households” [9] and Resolution No. 67 of the Cabinet of Ministers dated April 21, 2006, “On Measures to Implement the Program to Encourage the Increase of Livestock in Personal Helper, Peasant, and Farmer Households for 2006–2010” [10] were also of great importance in supporting low-income populations. As a result, charitable events were carried out by sponsors, entrepreneurs, and businesspeople to provide social protection. The funds collected from these activities were distributed among low-income groups, unemployed individuals, and single citizens. Specifically, in 2007, 9,746.7 thousand soms were collected from charitable events in the region; in 2008, 7,637.9 thousand soms; in 2009, 10,851.5 thousand soms; and in 2010, 422,998.4 thousand soms, all of which were distributed among the aforementioned groups [11].

In 2009, through the initiative of the Surkhondarya Regional Social Protection Agency, 1.4 billion soms were allocated to socially vulnerable groups. Based on entrepreneurship and the development of small businesses, as of January 1, 2009, a total of 72,732 citizens in Surkhondarya region in need of social protection applied to receive and register labor booklets. As a result, 39,909 people were issued new labor booklets. Under these documents, to support employment, state fund resources totaling 400 million soms were provided to low-income families, primarily for the purchase of cattle through preferential loans. Overall, 2,070 low-income and large families in the region received cows free of charge [12].

Many banks operating in the Republic of Uzbekistan also carried out significant work to protect socially vulnerable groups, ease their difficulties, and support low-income families. For example, the Termiz branch of the joint-stock commercial bank “Hamkorbank” provided 5.4 billion soms in loans

to entrepreneurs and businesspeople in 2010, of which 1.8 billion soms were consumer loans. In 2010, the regional branch of “Paxta Bank” allocated nearly 1 billion soms in micro, consumer, and mortgage loans to more than 700 young families. Additionally, 1,744.2 million soms in loans were provided to encourage the increase of livestock among the population. As a result, 1,769 low-income families purchased 3,184 head of cattle, improving their living conditions. The regional branch of “Paxta Bank” supported the oil production project of the “Agroxizmat Shingdon” Uzbekistan-Korea joint venture in Sherobod district. The private firm “Mirzo Eson” in Sho‘rchi purchased slate production technological lines from China using a bank loan, providing employment for 120 people [13].

In 2012, approximately 5,000 women entrepreneurs in Surkhondarya region, including women-run enterprises and individual businesses, received loans totaling 8.8 billion soms. Through these loans, around 10,483 women were employed. The allocation of substantial loans from the State Fund to support the creation of suitable employment for women also had a positive effect. In the first half of 2012, 45 women who wished to contribute to livestock development received loans totaling 49.5 million soms. In total, during this half-year period, 908 women entrepreneurs were provided with 3,046.8 million soms in funds through commercial banks [14].

From 2010 to 2012, special attention was given to the development of small enterprises and the small business network in localities to ensure social protection for pensioners and low-income populations. For instance, under the initiative of the Surkhondarya Regional Council of Veterans, six small enterprises and cooperative farms were established. They operated in Termiz and Denov cities and in Jarqo‘rg‘on and Termiz districts. Pensioners were predominantly employed in these small enterprises. A portion of the profits earned was distributed as assistance to elderly pensioners who had lost their ability to work [15].

Farmers and peasant households also implemented significant measures to motivate their members materially and morally. As is known, small businesses are typically considered private enterprises, and incentivizing employees created a foundation for their continued productivity. In this regard, in 2013, 199 employees working in small and medium enterprises, private enterprises, farmers, and peasant households in Surkhondarya region were assigned pensions [16].

Through small and medium businesses and family entrepreneurship, greater attention was paid to addressing the socio-economic problems of socially vulnerable populations. Significant progress was made in facilitating employment through credit lines opened in commercial banks. In the first eight months of 2015, 809 new jobs were created in Surkhondarya region using funds from the state fund assisting socially vulnerable groups. Of these, 524 jobs were created through family entrepreneurship, and 285 through small and medium businesses. To create jobs for low-income populations, 178.6 million soms were allocated from the social protection department for family entrepreneurship initiatives, and 451.6 million soms for other small and medium businesses as preferential credit funds [17].

One of the most acute and challenging issues in the region was providing employment for low-income populations and addressing unemployment. Various methods and tools were used to tackle these tasks. Through the initiative of the Surkhondarya Regional Social Protection Agency, service points were established to assist citizens with employment and social protection issues, which became an important step in addressing these problems.

Conclusion

During 2000–2016, entrepreneurial activity in Surkhondarya region, particularly small businesses and private entrepreneurship, became an important component of the social protection system. During this period, small business entities made a significant contribution to social stability by creating new jobs and engaging low-income and unemployed segments of the population in productive labor. Micro-firms, farms and peasant households, and family entrepreneurship entities served as some of the most effective mechanisms for mitigating employment issues at the local level.

Charitable and sponsorship activities, state programs, as well as preferential loans provided by commercial banks and funds, played a crucial role in supporting socially vulnerable groups. Notably, significant results were achieved in increasing employment for women and youth, and in expanding income sources for large and low-income families.

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