

THE ROLE OF SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP IN EMPLOYING THE POPULATION

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Abstract: In this article explained the role of private entrepreneurs in job creation, dynamics of labor resources and employment of the population, the share of employment in small business and private entrepreneurship in GDP.

Keywords: small business, entrepreneurship, employment, unemployment, job positions.

The development of small business and private entrepreneurship in our republic is important in ensuring sustainable economic growth and employment of the population. In this regard, a number of measures aimed at revitalizing economic reforms and further supporting business entities are being implemented. A favorable business environment and reliable legal guarantees have been created for the rapid development of small business and private entrepreneurship, which is an important factor in the sustainable development of the country's economy, creating new jobs and increasing the income of the population. In the Republic of Uzbekistan, the working-age population makes up a significant part of the total population, and their number is increasing every year.

According to world experience, the development of market relations includes the problem of labor resources and employment. This is especially important for countries with high demographic growth, pursuing a policy of economic liberalization and structural transformation. This is where the rapid release of surplus labor and the increase in the number of people looking for work. This, in turn, requires a study of the current state of the labor market in Uzbekistan and an increase in the level of employment by creating new jobs on this basis.

Research methodology

To achieve this goal are used methods for collecting and comparing statistical data, as well as analytical methods for summarizing and substantiating the results obtained. These methods were used in the part of the article devoted to the results of the study and helped us to draw a conclusion. The result of the methods used serves to highlight the importance of providing the population with permanent jobs.

Research results

When determining the demand and supply of jobs, first of all, an analysis of the composition of the labor force is required (Table 1). The composition of the economically active population within the labor force reflects the demand for jobs.

Table 1

Dynamics of labor resources and employment of the population in the Republic of Uzbekistan (thousand people)¹

Indicators	Years			
	2018	2019	2020	2021
Total population permanent	32656,7	33255,5	33905,2	34558,9
Number of labor resources	18829,6	18949,0	19158,2	19334,9
from this:				
Economically active population	14641,7	14876,4	14797,4	14980,7
Employed population	13273,1	13541,1	13236,4	13538,9

From the data of Table 1, it can be seen that during the years 2018-2021, the population of the republic increased by 6.5%, and the number of labor resources increased by 2.5%. In 2021, the labor resources made up 44% of the total population. The average annual growth rate of labor resources in the republic is 1%.

In 2021, the employment rate in relation to the economically active population was 90%, and in relation to labor resources, it was 70 %.

The fact that more than 80 percent of the employed population works in the private sector today also indicates the high status of this sector. For example, in 2000,

¹ According to the State Statistics Committee. <https://stat.uz/uz/rasmiy-statistika/demography-2>

the share of small business entities in the GDP was 31%, and by the end of 2021, this indicator reached 54.9%².

The development of market relations in the economy of Uzbekistan requires studying the features of the existing labor potential. This, in turn, creates the need to assess the level of employment of the population. These advantages of small business and private entrepreneurship are being effectively used in the country, and many new jobs have been created in this sector of the economy in 2021.

As you can see in the picture, in 2018-2021, the number of people employed in the field of small business and private entrepreneurship in the republic increased, but the overall share decreased (Table 2).

From the data in the table 1 it can be seen that the percentage of employees has decreased. Solving the problem of employment in the unique conditions of our country requires a special approach.

According to the analysis presented by the “Development Strategy” Center, within the framework of the Action Strategy, a number of positive measures are being taken to ensure employment of the population.

In particular, more than 2.5 million permanent jobs with decent working conditions were created in 2018-2021³. Including:

Table 1

Share of employed in small business and private entrepreneurship

Years	2018	2019	2020	2021
Employment rate	76,3%	76,2%	74,5%	74,1%
Share in GDP	62,4	56,0	55,7	54,9

551.4 thousand in 2018, 797.9 thousand in 2019, 651.3 thousand in 2020, 468.1 thousand in 2021.

² According to the State Statistics Committee. <https://stat.uz/uz/rasmiy-statistika/small-business-and-entrepreneurship-2>

³ https://www.uza.uz/ru/posts/4-yilda-25-milliondan-ortiq-doimiy-ish-orni-yaratilgan_298666?q=%2Fposts%2F4-yilda-25-milliondan-ortiq-doimiy-ish-orni-yaratilgan_298666

The study of the current state of the labor market in Uzbekistan and, based on this, in the future requires an increase in the level of employment through the creation of new jobs in the private sector.

In total, 468,100 new jobs will be created in our country in 2021, and almost half of them will fall on the creation of small enterprises, micro-firms, the development of all forms of home work, the further development of individual entrepreneurship, the service sector, and the expansion of housing and repair works and production and was created through the development of social infrastructure. The following measures are also being implemented:

- employers who create new jobs are encouraged, tax, credit and other benefits are provided;
- small businesses, private entrepreneurship, households, the service sector and services, which are the most effective means of providing employment for the population, are developing at a faster pace;

Conclusions and offers

In conclusion, we can say that the development of small business and private entrepreneurship to a large extent contributes to increasing employment, increasing incomes of the population and sustainable development of the economy. Employers who create jobs in our republic must be provided with the following conditions:

- development of a mechanism to encourage entrepreneurs who create more than 10 jobs during the year;
- it is necessary to increase the weight of enterprises and organizations on the basis of public-private partnership.

Literature review

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