

### The Role of Small Business and Private Entrepreneurship in Accelerating Economic Growth and Job Creation

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#### ABSTRACT

*The article analyzes the role and features of the development of small business and private entrepreneurship. The content of the reforms aimed at the development of private entrepreneurship in the Republic of Uzbekistan is explained. Small business and private entrepreneurship is a decisive factor in creating an economic base for solving important problems of social development.*

The history of the formation and development of small business in Uzbekistan is still quite young, like the republic itself. A little over twenty years ago, a new class of property owners began to form in the country, on which great hopes were placed. Small businesses and private entrepreneurship were to play a key role in the development of the economy, providing employment for the population, healthy competition, saturating the market with new goods and services. And most importantly, the private sector was called upon to be the basis of socio-political stability in the country.

In the context of the globalization of the economy, developed and developing countries are investing in a digital transformation strategy as part of strengthening their positions in domestic and international markets, increasing the competitiveness of their products. The essential role of the state as a regulator, improving productivity conditions and thus reducing costs, not only improves the business climate of the state, but also contributes to the flow of investment in a country where digitalization is given special attention, as the ability to see new trends and change in real time ensures business competitiveness and success in the digital economy.

In the economy, small business and private entrepreneurship is a decisive factor in creating an economic base for solving important problems of social development. Small enterprises are the main conductors of innovations in the conditions and lifestyle of the population. They have the greatest flexibility and adaptability to market requirements. In order to achieve economic growth in his company, the entrepreneur tries to maximize the use of new achievements in science and

technology as the most important factor in increasing labor productivity. This ultimately leads to accelerated economic growth and improved quality of life in the country.

Among the advantages of small business can also be attributed the least costly way for them to create new jobs, invest in the development of production. It is a significant source of saturating the market with goods and services, increasing tax revenues and increasing the incomes of the population.

The source of profit at the enterprise is not only the savings in production and distribution costs, but also the change of the manufactured product and the constant updating of the assortment. Entrepreneurs, in order to ensure the market in accordance with its conjuncture, implement an "innovation policy" based on the constant renewal of their products.

The innovative policy of successfully functioning modern enterprises is based on the theory of marketing, which pays attention to the innovative mechanism that allows us to seize the initiative in the formation of demand from the market, create needs, especially for the mass buyer, in new goods and services. Small businesses quickly respond to changes in consumer demand, can quickly and relatively painlessly change the profile of their activities in accordance with fluctuations in the economic situation. Fewer resources are needed to organize their activities. Because of this, the efficiency of their activities increases and they significantly increase the efficiency of the entire economy.

Small business and private entrepreneurship is a sphere of application of labor and a source of income for a significant part of the population. This is the most flexible part of the labor market, absorbing the bulk of the labor force of low qualifications and lack of experience, who want to have a flexible working day. Often only here socially vulnerable segments of the population can find work: women, young people who are looking for work for the first time, who have a low level of education and work experience. The social role of small business and entrepreneurship is no less significant than the economic one.

Small business creates conditions for the expansion of employment and income growth of the population, creates a special social climate, smoothing out the sharp corners of possible contradictions between the layers and strata of society, has a significant impact on the development of competition, and therefore on the formation of competitive prices for goods, from which both consumers and society as a whole, contributes to the expansion of services provided in the areas of health and education. Small business is a potentially effective means of developing business and entrepreneurial skills among the population . and increasing the degree of its adaptation to market relations, allowing citizens to become owners not only of their own labor force. but also property, including production purposes, it creates the basis for the formation of a middle class - a social stratum capable of ensuring the progressive development of a society interested in democracy and social stability.

Small business is an important factor in the growth of national welfare, since it is the main source of income not only for a significant part of the people employed in its field, but also for their families. In addition to all this, small business enables a person to combine work and personal life into one whole, to realize himself, to show his abilities and talents . The high potential of small business allows serious attention to be paid to its development in countries where a social economy is being formed. Legal basis for the development of private entrepreneurship in Uzbekistan and their improvement. For the formation of a social economy, an important role is played by its legislative framework, including the legal framework for the development of small businesses and private entrepreneurship.

A decree of the President of the Republic of Uzbekistan "On measures to further reduce and simplify licensing and permitting procedures in the field of entrepreneurial activity, as well as improve the conditions for doing business" was adopted, according to which the need to obtain

permits or licenses for 42 types of entrepreneurial activity is canceled.

Also for small business owners there are tax and credit benefits that are aimed at strengthening their activities.

As support measures, the social tax rate for entrepreneurs and farms was reduced, small businesses and individual entrepreneurs were exempted from paying land tax for a certain period, entrepreneurs were allowed to pay customs duties with a delay of 120 days, and so on.

The small economy is an important sector of a full-fledged market. Without small business, it is impossible to develop a civilized market economy. The goals of creating small enterprises, or small businesses, are:

- saturation of the consumer market with goods;
- overcoming industry and regional monopoly;
- expansion of competition; creation of a material basis for the employment of workers who are released from existing enterprises;
- strengthening the economic base of local authorities; development of villages, small towns;
- revival of arts and crafts.

In January-March 2022, the share of small businesses in GDP amounted to 43.9%.

The term "business" is of English origin and in the original language means business, activity, occupation. Business is an independent activity of individual citizens carried out at their own risk and under personal property responsibility, aimed at obtaining profit or economic benefit in another form. In one of the English textbooks on business, the following definition is also given: "Business is an activity carried out by individuals or organizations to extract natural benefits, production or provision of services in exchange for other goods, services or money, leading to the mutual benefit of interested individuals or organizations. ". Business on a small scale in small businesses is called small business.

The number of small businesses amounted to 10.4 units per 1000 inhabitants.

The number of operating small enterprises and micro-firms reached 20,399. In January-March 2022, 1,028 new small enterprises and micro-firms were created (excluding farms and dekhkan farms). The volume of industrial production amounted to 4 trillion. 299.6 billion soums . The volume of market services increased by 18.3%. The volume of exports amounted to 85.7 million dollars, imports - 54.7 million dollars.

Science considers employment as a macroeconomic category that combines important social and economic indicators of the state of society. The more employed people in a society, the less unemployment and the higher the standard of living and social well-being. At the same time, not just employment is important, but useful, productive employment that would bring satisfaction and earnings to a working person, providing decent living conditions for a person.

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