



Providing Employment through Small Business and Private Entrepreneurship Development

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Abstract

Scientific research on increasing the rational employment of the population of the region through the integrated development of small businesses and private entrepreneurship, as well as the introduction of new mechanisms for providing employment for the unemployed, youth and women, university graduates entering the labor market for the first time, and attracting the low-income population to entrepreneurial activity - are presented methodological, practical proposals and recommendations.

Keywords: Employment of the population, private entrepreneurship, developed market, gross regional product, employment, supply and demand, efficient distribution, entrepreneurship support, microcredit, information consulting.

Determining the directions of effective use of human resources in the conditions of innovative development of the economy is an important condition for increasing employment in the future. Effective use of human resources is improving at every stage of society's development. It implies that a person should be proactive and active in the conditions of the market economy. How he survives will depend on his ability to assimilate and harmonize with the new economic system.

Innovative development of our country's economy, as well as solving a number of socio-economic tasks before us, requires effective use of human resources. It is known that human resources are the main factor of production and have specific characteristics compared to other resources.

Until recently, human resources were called "labor resources". Unemployment was officially recognized in our republic, the concept of "labor resources" was replaced by the concept of "human resources". The concepts of "human resources" or "human capital" are also widely used in countries with developed market relations. The rational management of human resources at the level of the country and the enterprise leads to the achievement of high peaks in the economy.

Human resources are people. They not only create material goods, but also consume goods. People are not the same in terms of their material and spiritual needs. This is caused by their gender, age, health, marital status, level of education and other social, psycho-physiological qualities. Therefore, one is not like the other.

Based on these complex tasks in the innovative economy from the point of view of market requirements, the socio-economic importance of human resources, the role of using human resources in the development of small business and entrepreneurship, its characteristics, the effective use of human resources through the development of small business in the experiences of developed foreign countries implementation of mechanisms in our country, reducing unemployment, increasing youth employment, analysis of new jobs created through the development of small business and private entrepreneurship, indicators determining the effectiveness of human resources, strategic directions of its development, theoretical and



improvement of the system of increasing the role of human resources in the development of small business the need for practical analysis remains a topical issue.

As President Sh.M. Mirziyoev noted: "With luck, by 2030, Uzbekistan will be among the countries with higher than average income per capita. It is planned to achieve this, first of all, by encouraging the private sector and increasing its share, as well as attracting foreign direct investments" [1].

Currently, the place and role of small business enterprises in the economy of Uzbekistan is increasing more and more. The share of goods and services created in these enterprises in the GDP is 54.9 percent, and the labor resources employed in them are 74.4 percent. However, in 2019, 76.2 percent of people were employed in this field. Therefore, small enterprises are the main employers in the labor market of our country. This situation is characteristic of almost all developed market economy countries. For example, two out of three people in the US work in firms with fewer than 100 employees. In Italy, 79.0% of the working population work in small enterprises. That is why it is important to scientifically research the mechanism of personnel recruitment in small business enterprises.

We know that currently small business enterprises are entering all sectors and sectors of our national economy. This situation, in our opinion, indicates that it is not appropriate to use a traditional methodological approach to study the supply to the labor market. All specialties of different ages are required for small businesses. Therefore, in order to organize labor relations at the enterprise (firm) level, first of all, it is necessary to take into account the general characteristics of labor in this enterprise, not to which industry the employer belongs to the enterprise.

Table 1. Volume of products (works, services) produced by small business entities in Samarkand region (2021) [5].

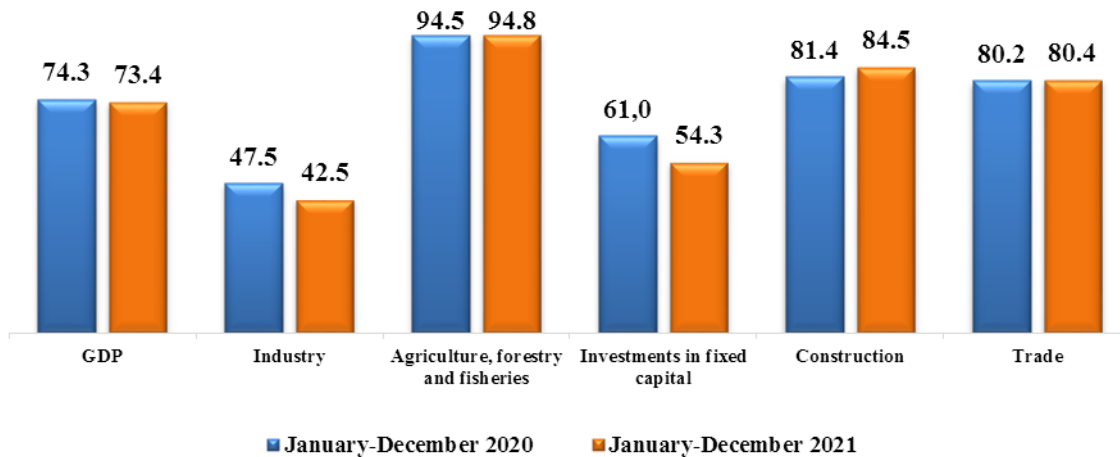
Networks	Volume of produced products (work, services), billion soum	Share of the total volume of manufactured products, in %
Agriculture, forestry and fisheries	39 073,1	94,8
Industry	9 691,0	42,5
Construction	6 109,5	84,5
Retail trade	16 893,4	80,4
Shipping, mln. tn.	51,8	88,6
Passenger transportation, mln. person	422,6	95,3
Export, mln. US dollars.	241 945,7	45,6
Import, mln. US dollars.	528 551,3	38,0

73.4% of the total volume of GDP production corresponds to the contribution of small entrepreneurship (business), and this indicator decreased by 0.8 points compared to 2020. According to the Unified State Register of Enterprises and Organizations, the number of industrial enterprises operating as of January 1, 2022 is 8,050, which has increased by 1,079 or 15.5% compared to the same period last year.

In 2021, 1,899 new industrial enterprises were established in Samarkand region, of which 257 were registered in Urgut district, 257 in Samarkand city, 209 in Samarkand and 208 in Pastdargom districts. The total number of small business entities registered as of January 1, 2022 It was 43,130. In January-December 2021, 73.4 percent of the gross regional product (74.2 percent in the same period of 2020) was produced by small business entities.



By the end of 2021, small business entities in Samarkand region contributed: 42.5% of industrial production, 54.3% of the total volume of investments, 84.5% of the total volume of construction works, 67.9% of the volume of services, 80.4% of the turnover of goods percent, 45.6 percent of the export volume, 88.6 percent of transported cargo and 95.3 percent of transported passengers.



Picture 1. Changes in the share of small entrepreneurship (business) in the total volume of the gross regional product and the product (works, services) of economic sectors (as a percentage of the total volume) [5].

According to the data of the table, it can be seen that the volume of products (works, services) produced by small business entities in Samarkand region in 2021 is also significant. In this regard, 39073.1 bln. in agriculture, forestry and fisheries. 9,691.0 billion soums in industry. 6,109.5 billion soums in construction. 241,945.7 million soums in export. US dollars. and 528,551.3 million in import. US dollars. we can see that it is organized.

The analysis of the level of study of the labor market shows that most scientists of our republic consider the macroeconomic function of small producers in solving the issue of employment of the population. At the enterprise level, the issue of labor relations - in particular, the characteristics of labor recruitment in small enterprises - has received little attention, it should be recognized that the characteristics of the labor market in small enterprises are determined by a number of factors.

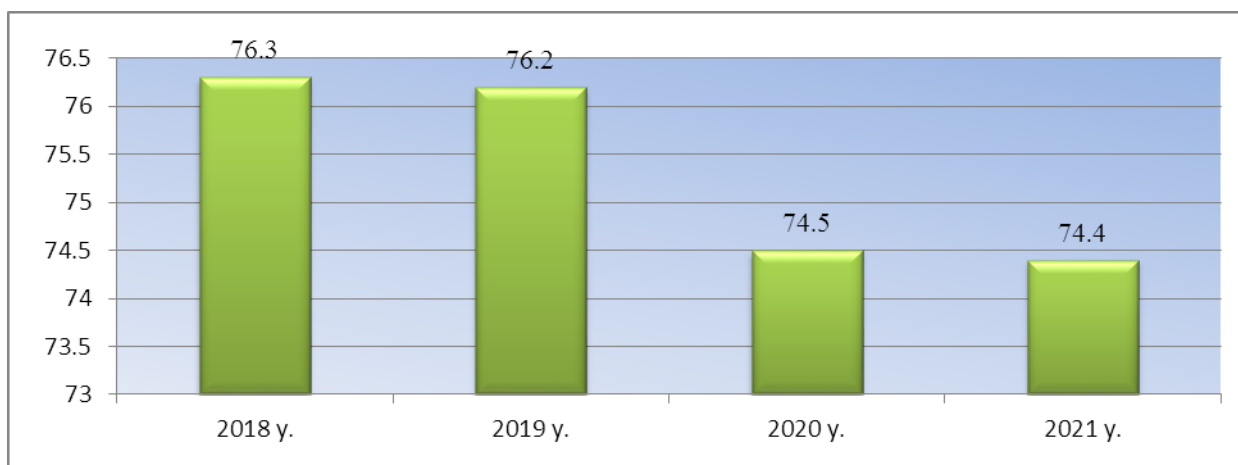


Figure 2. Share of those employed in the small business sector among the total employed in Samarkand region, % [5].

In small enterprises engaged in various activities, the selection of personnel is usually made from among relatives and friends. This is especially true for those engaged in trade, general catering,



and intermediary activities. Because the implementation of this principle in the recruitment of personnel is explained by a number of reasons, in particular, the mutual trust of the company's employees, mutual trust between the employer and the employee, etc. Managers of small enterprises engaged in the construction and household service sectors follow a different principle when hiring personnel, in particular, monotonous, difficult working conditions, which encourage managers to hire "external" labor. Managers of small enterprises operating in the fields of finance, scientific technology, and innovation often take into account the professional level of their employees in order to increase the reputation of their company.

The second most common method of recruitment in small enterprises is the use of the services of previously tested friends by the head of the enterprise. In this case, the head of the enterprise expresses his high confidence in his former colleagues. This principle is typical of managers of small enterprises engaged in the fields of finance, medicine, and education.

The analysis of materials of various scientific researches and sociological studies allows to distinguish several directions in terms of criteria for hiring workers by entrepreneurs. First, the criteria for hiring production workers and the criteria for hiring specialists (managers, employees) are different.

But in our opinion, depending on the network structure of small enterprises, the indicators of the above criteria may vary, for example, professional training of specialists is required as the main criterion in small and private enterprises of the service sector. The qualification and experience criteria are the criteria required by the managers of small enterprises in the field of market infrastructure. At the same time, managers of small enterprises in this field pay great attention to criteria such as interest in the work of their employees and a creative approach to work. The criterion of labor discipline and health is more in the attention of the heads of small enterprises in the field of trade, transport and general catering.

It should be recognized that all entities engaged in small business look at the criterion of interest in labor in hiring production employees (workers) and managers, employees, managers with the same importance. Such a situation can be interpreted differently depending on the motivation of work. However, in our opinion, the effective result of the activity of small enterprises is inextricably linked to the work motivation that comes in the process of the joint activity of its work team. As a result of our research, we can conclude that in hiring employees in small enterprises, the issue of employment forms is also important. The interdependence of employment and recruitment can be characterized by three factors. These are: the method of formation of the enterprise, its size and labor supply. The first criterion embodies the following features of the form of recruitment of workers and servants. Traditional full employment is mostly provided in the trade sector. According to the experts of the employment organization, the employment coverage in this area is 95%. Maximum permanent employment is also ensured in small enterprises in industry and construction. Employment in the business service sector is somewhat higher by employment. Employment on the basis of a temporary labor contract is somewhat higher in small enterprises of the scientific, technical and intellectual sphere. This situation is explained by the fact that the nature of work does not bind employees permanently, but creates conditions of secondary employment. In general, it can be recognized that temporary hiring gives the managers of small enterprises such an opportunity that he can easily solve the issue of employment in his enterprise.

The second criterion is the dependence of the form of employment on the size of the enterprise. This forms a specific ratio, that is, the smaller the number of enterprises, the more their managers tend to use incomplete and temporary forms of hiring workers and servants.

The third criterion - the form of employment depends on the formation of the enterprise. In the



course of the research, it was concluded that the traditional full employment situation is characteristic of existing enterprises. Temporary employment status is characteristic of new or reorganized enterprises and organizations.

In addition, there is another necessary condition for concluding labor contracts - the employer's obligation to protect labor in the enterprise. Failure to specify this condition in the employment contract makes it invalid as a full-fledged contract. According to the results of our research, one third of the small enterprises operating in Samarkand region have labor protection conditions included in the contract. The reason for this is that most small enterprises work in relatively safe places. This situation causes company managers not to include safety conditions in labor contracts.

Conclusion

Market principles and the transformation of social and labor relations, forming new mechanisms for the regulation of population employment and the effective distribution of labor power, are creating new trends in the field of labor.

In this regard, it is necessary to determine a number of measures:

1. To determine the factors affecting the demand and supply of labor force in the labor market, to evaluate their position;
2. To analyze the measures of the state in the field of increasing the employment of the population in the Republic of Uzbekistan and to develop an econometric model of the mechanism aimed at achieving the effective distribution of labor force;
3. It is necessary to research the youth labor market in Uzbekistan and develop practical recommendations aimed at increasing its efficiency and put it into practice.
4. Support of small business and private entrepreneurship, i.e. identification of resource opportunities for allocating microcredits for the development of family entrepreneurship to women in remote and mountainous regions where infrastructure is not developed;
5. Determining the parameters for the creation of domestic labor jobs by ordering women to perform work and services at home by large industrial enterprises.
6. Taking into account the incomparable share of small business and private entrepreneurship in ensuring the socio-economic well-being of families, it is appropriate to implement the following in order to further develop their activities:

Exemption of part or all of the taxes for 3-5 years for entrepreneurs providing any service to the residents of remote areas, difficult to reach and high demand for employment.

Thus, from the experience of the leading countries of the world in providing employment to the population, taking into account the main points of reforming this sector of the economy, the following should be taken into account:

- ✓ direct financing of small business and private business groups and providing loans with easy terms;
- ✓ to create wider conditions for cooperation between large industrial enterprises in terms of production and services (household) in order to ensure employment;
- ✓ assistance in providing informational advice to small business and private business entities;
- ✓ training of personnel for small business and private entrepreneurship activities and improving their qualifications.



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