



ENSURING THE WELL-BEING OF THE POPULATION THROUGH IMPROVING THE BUSINESS ENVIRONMENT

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Abstract. *This article analyzes the role and significance of entrepreneurship in social life and the potential for improving the population's living standards through entrepreneurial development. It highlights the contribution of entrepreneurship to increasing economic activity, creating new jobs, and developing local infrastructure. The study examines ongoing reforms in Uzbekistan, their impact on the business environment, and factors affecting public welfare. The analysis shows that supporting small businesses and private entrepreneurship is essential for improving living standards. Practical recommendations for promoting entrepreneurship are also presented.*

Keywords: Entrepreneurship, living standards, small business, private sector, economic activity, reforms, job creation, infrastructure, welfare, Uzbekistan

Аннотация. *В данной статье проанализированы роль и значение предпринимательства в общественной жизни, а также возможности повышения уровня жизни населения через развитие предпринимательства. Раскрыта роль предпринимательства в повышении экономической активности, создании новых рабочих мест и развитии местной инфраструктуры. Изучены реформы, проводимые в Узбекистане, их влияние на предпринимательскую среду и факторы, влияющие на благосостояние населения. На основе анализа обоснована важность поддержки малого бизнеса и частного предпринимательства для улучшения уровня жизни населения. Также предложены практические рекомендации по развитию предпринимательства.*

Ключевое слово. Предпринимательство, уровень жизни, малый бизнес, частный сектор, экономическая активность, реформы, рабочие места, инфраструктура, благосостояние, Узбекистан.

Introduction

Business has long been considered a component of human economic activity and social life. Since ancient times, the existence of business as a socio-community institution, the implementation of mutual relations between people and useful activities, all of which have been considered a necessary condition for human society and life. Business, taking into account the level of development of society not only in terms of its productive forces, but also its spiritual and educational state, forms a social environment that satisfies all social groups on the basis of ensuring a direct connection between opportunities and potential. This process harmonizes the economic interests of the individual, the state and society and helps to establish social justice and political stability in society.

The importance of entrepreneurship in the country's economic growth is reflected in the increase in the volume of gross domestic product and its acceleration of growth rates, strengthening the competitive environment in the market, forming the export potential of the national economy, increasing the flexibility of the unstable market system, bringing scientific and technological progress to new heights and ensuring the uninterrupted operation of large enterprises by supplying them with the necessary products and services. In this regard, small business and private entrepreneurship play an important role in creating new jobs, effectively using resources, and increasing state budget revenues.

Currently, in order to develop entrepreneurship in our country, our state is also creating a number of tax incentives, including a reduction in value-added tax from 15% to 12%.

Indicator name	2019	2020	2021	2022
Total income of the population, billion soums	365735.6	414968.7	519181.4	634797.0
compared to last year, in %	121.6	113.5	125.1	122.3
Total income per capita, thousand soums	10891.3	12122.2	14869.8	17807.3
compared to last year, in %	119.3	111.3	122.7	119.8
Real total income of the population, billion soums	319336.1	367456.6	468448.4	569631.2
compared to last year, in %	106.1	100.5	112.9	109.7
Real total income per capita, thousand soums	9509.6	10734.3	13416.8	15979.3
compared to last year, in %	104.2	98.6	110.7	107.5

Real total income per capita

As can be seen from the table above, if we look at the statistical data of the last four years, positive changes have been observed in real total income per capita, and if in 2019 it amounted to 9509.6 thousand soums, by 2022 this figure will be 15979.3 thousand soums. From these indicators, we can conclude that the large-scale reforms carried out by our state in recent years to improve the living standards of the population are bearing positive fruit. The favorable geographical location and unique climate of the Republic of Uzbekistan allow not only to grow agricultural products here, but also to export them to foreign countries. The introduction of the cluster method, which has stood the test of time in foreign countries, is showing its positive effectiveness.

The advanced experience of countries around the world shows that small business and private entrepreneurship have a significant positive impact on the social development of the country and significantly increase the efficiency of the national economy. The special importance of small business and private entrepreneurship in the social development of the country is that it plays an important role in the formation of incomes of the population, providing employment to able-bodied people, eliminating poverty and helplessness, expanding the middle class and

satisfying the needs of the population for various goods and services. It also serves to realize the inherent potential of a person with his natural aspirations for a good and prosperous life. The country's transition to a post-industrial society requires specific structural changes in the national economy. These changes are especially noticeable in the agricultural sector. In a market economy, entrepreneurs in agricultural production, like other industries and sectors, feel the need to use resources economically and avoid excessive costs. At the same time, economic reforms in rural areas and the flexibility of private entrepreneurship to market requirements also have their own advantages, which play a significant role in the development of the country's economy.

Small and private entrepreneurship has the ability to quickly adapt to the changing requirements of the market environment. The country's economic growth, global economic integration, and its role in the international division of labor are significantly related to business activity. Therefore, the development of small and private entrepreneurship directly affects the well-being of the population. As part of the policy of diversifying the national economy, small and private entrepreneurship enterprises allow for the deepening of production sectors. Entrepreneurs, striving to strengthen their economic position, try to introduce innovative approaches to competition. At the same time, small businesses create new opportunities for increasing financial strength in the production of their products and capturing new markets. Such strategies in most cases do not require large investments and can be implemented in a short time.

Changing consumer demands provide small businesses with the opportunity to quickly produce their products and market them. The expansion and enrichment of the domestic market of Uzbekistan is stimulating the production of new products and services for business. While large businesses sometimes have difficulty adapting to these changes, small businesses quickly adapt and optimize their activities. One of the unique advantages of business entities is that they operate with fewer resources and, unlike large enterprises, play a significant role in attracting labor to

social production. They create socially significant jobs and fight unemployment. In addition, small and private entrepreneurship provide an opportunity to realize creative and intellectual abilities. The private entrepreneurship sector has been developing steadily through state reforms, ensuring the country's economic growth. In recent years, Uzbekistan has adopted many laws and resolutions aimed at developing small business, which have contributed to the development of entrepreneurial activity and the creation of new jobs. The reduction of licenses and permits in the field of entrepreneurship, the reduction of tax rates, and the sharp reduction of import duties have created favorable conditions for small business. In addition, small business and private entrepreneurship contribute to the development of large-scale production by providing spare parts and materials to large-scale production enterprises.

Small entrepreneurs, by strengthening their activities, free large enterprises from secondary work, and thereby increase production efficiency. The reforms implemented to develop entrepreneurship are recognized as one of the important factors in the socio-economic development of the country. In particular, as a result of the expansion of regional trade and service systems, the ability to fully meet the needs of the population is increasing. The provision of local products and services by small business entities serves to ensure stability in the economic system and directly affects the increase in the standard of living of the population.

Activities in this area are leading to positive results by strengthening economic security, increasing employment levels and expanding sources of income for citizens. The growing number of business entities indicates the liberalization of the country's economic environment.

In this regard, the positive impact of small business on the standard of living of the population can be seen through the following aspects:

Increasing economic activity through local markets – Entrepreneurs play an important role in meeting the daily needs of the population by providing their

products and services directly to consumers. They strengthen regional economic activity and develop solutions that meet consumer demand.

1. Increasing employment levels by creating new jobs – Small businesses contribute to the revitalization of the local labor market. The new jobs they create increase the income of the population and ensure social well-being.

2. Contributing to economic stability – The financial activity of small businesses leads to an improvement in overall economic indicators. Value chains created at the local level ensure the efficient use of internal resources in the economy.

3. Striving for innovation and technological innovations – business entities are distinguished by their rapid adaptability. They increase the quality of services and product efficiency by implementing new technologies, which creates more opportunities for the population.

4. Serving social integration and local development – Business provides products and services that meet the urgent needs of the population, while directly interacting with the community. This increases the activity of the population in socio-economic processes and creates the basis for local development.

Analysis and results

In general, entrepreneurship is not only a source of economic development, but also plays an important role in ensuring social well-being. The development of this sector helps to ensure sustainable growth of the national economy in various sectors. Therefore, the development of small and private entrepreneurship remains an important factor for the future of the country. If we turn to the facts, according to 2022 data, limited liability companies accounted for 54.2 percent of the business entities operating in the country, farms accounted for 18.1 percent, private enterprises for 15.3 percent, family businesses for 9.4 percent, peasant farms for 1.9 percent, and other forms of entities for 1.1 percent. In 2017, the number of business entities amounted to more than 283 thousand. As a result of the reforms implemented over the past 6 years to develop and support entrepreneurship, this figure exceeded

523 thousand by the end of 2022, or an increase of 240 thousand or 1.8 times compared to 2017.

In Uzbekistan, the average number of entrepreneurs per 1,000 people at the end of 2022 was 15. This figure was 36.8 in Tashkent, 21.9 in Navoi region, 18.1 in Syrdarya region, 10.3 in Surkhandarya region, 10.6 in Kashkadarya region, and 11.4 in Namangan region. By the end of 2022, the share of small and private entrepreneurship in GDP reached 54.9 percent, in construction - 72.4 percent, and in employment - 74.4 percent. Over the past year, the role of small businesses in increasing employment has significantly increased. In this process, the number of entrepreneurs increased by 40 thousand, reaching a total of 490 thousand. The number of medium-sized entrepreneurs increased by 2 thousand, reaching 10 thousand. The number of large enterprises also increased by 400, reaching a total of 1,500. As a result of supporting the activities of business entities, simplifying the tax system and combating the black economy, a significant increase in tax revenues was observed. Revenues from profit, value-added tax, land tax and other types of taxes increased. In addition, separate approaches were established for small and medium-sized businesses, and a system of tax, credit and financial assistance was created for each category. According to the 2023 report, districts and cities were divided into 5 groups and special benefits were introduced in 60 districts. As a result, entrepreneurs in these districts received more than 1 trillion soums in benefits. In the first six months of 2023, the income of entrepreneurs in 20 districts increased by 1.5-2 times. Also, in order to increase employment by attracting young people to entrepreneurship, 2 trillion 894 billion soums of loans were allocated to more than 121 thousand young people. As a result of measures aimed at developing small and medium-sized businesses, new business buildings have been built, the number of entrepreneurs with a turnover exceeding one million dollars has increased, and the number of exporting enterprises has increased. These measures are making a significant contribution to the country's economic development and improving the living standards of the population.

Conclusion

Entrepreneurship is an important economic and social factor in improving the living standards of the population, and its development is of great importance in ensuring sustainable economic growth in the country, increasing employment and increasing the income of the population. As can be seen from the experience of Uzbekistan, the reforms, privileges and concessions, and simplification of the tax system implemented in recent years have significantly stimulated the development of small and medium-sized businesses. This not only contributes to the creation of new jobs, but also to increasing the economic activity of citizens, regional development and socio-economic stability. The ability of entrepreneurship to quickly adapt to the economic situation, the desire to implement innovative approaches, and the ability to achieve high efficiency with minimal resources have made it an indispensable link in modern economic development. In particular, meeting regional needs and providing products and services that meet consumer demand through family entrepreneurship, peasant farms, and local businesses has a direct positive impact on the standard of living of the population.

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