



ORGANIZATIONAL AND ECONOMIC FOUNDATIONS AND PROSPECTIVE DIRECTIONS OF FAMILY ENTERPRISES

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Abstract. *This article highlights the economic and social significance of family enterprises in the sustainable development of the national economy, increasing the share of small businesses and private entrepreneurship, and ensuring public employment. The study analyzes the characteristics of family entrepreneurship, its foreign experience, and its role in the economy of Uzbekistan. Additionally, the organizational and economic foundations and promising directions for the further development of the industry were studied.*

Keywords. *Family enterprise, small business, private entrepreneurship, economic growth, employment, innovation, investment, financial stability.*

Аннотация. *В данной статье подчеркивается экономическая и социальная значимость семейных предприятий в устойчивом развитии национальной экономики, увеличении доли малого бизнеса и частного предпринимательства, а также обеспечении занятости населения. В исследовании анализируются характеристики семейного предпринимательства, его зарубежный опыт и роль в экономике Узбекистана. Кроме того, были изучены организационно-экономические основы и перспективные направления дальнейшего развития отрасли.*

Ключевые слова. *Семейное предприятие, малый бизнес, частное предпринимательство, экономический рост, занятость, инновации, инвестиции, финансовая стабильность.*

Family enterprises play an important role in the development of entrepreneurship, ensuring public employment, and strengthening socio-economic

stability in the Republic of Uzbekistan. Family entrepreneurship plays a crucial role in the development of small and medium-sized businesses in many countries, as it helps create sustainable jobs in society and makes a significant contribution to the local economy. Family entrepreneurship is understood as a small business jointly managed by family members, whose activities are carried out by all or most of the family members. A family enterprise is a small business entity created and managed by members of the same family, which is an economic unit registered on a legal basis and conducting its activities. Family members may be the owner, employee, or manager of the enterprise. This type of enterprise not only engages in economic activities but also creates a source of income for family members and strengthens their unity. Systematic work is being carried out to improve the welfare of the population by developing family entrepreneurship and increasing the economic potential of the regions. In the Republic of Uzbekistan, support for family entrepreneurship has become one of the priority areas of state economic policy. The reforms implemented within the framework of the "Every Family is an Entrepreneur" program in our country are serving to increase public welfare and reduce poverty through the development of family business. However, in the context of globalization and digital transformation, theoretical and practical problems regarding increasing the competitiveness of family enterprises and transforming them from micro-business levels into larger economic entities still persist, which is why this topic is of current importance.

Extensive scientific research on family entrepreneurship has been conducted by numerous scholars, leading to the development of various economic theories and practical approaches in this field. This section will analyze academic sources that illuminate the economic and social aspects of family entrepreneurship. The economic essence of family entrepreneurship and its role in societal development have been studied by many researchers. In particular, Schumpeter (1934), viewing entrepreneurship as the driving force of economic development, emphasized the role of family businesses in introducing innovations. On the other hand, Becker (1981),

in his "Treatise on the Family" concept, highlighted the importance of family businesses in the efficient use of resources and in ensuring employment. Among Uzbek researchers, N. Khudoyberganov (2019) assessed family entrepreneurship as an important component of small and medium-sized businesses and analyzed its impact on the country's economic development. I. Bekturodov (2020) studied the economic mechanisms for the development of family entrepreneurship in the conditions of Uzbekistan. In his opinion, family enterprises are the most effective means of ensuring employment and increasing the income of the population in rural areas. Additionally, A. Kuchkarov (2021) studied the legal foundations and state support mechanisms for family businesses in Uzbekistan and provided recommendations for further improving the business environment. The impact of family entrepreneurship on the quality of life of the population has been studied in many international and domestic studies. . O'zbekistonda olib borilgan tadqiqotlar orasida R. Karimov (2020) qishloq hududlarida oilaviy tadbirkorlikning aholining daromadlari va ijtimoiy-iqtisodiy farovonligiga ta'sirini tahlil qilgan. Uning tadqiqotlari shuni ko'rsatadiki, oilaviy tadbirkorlik orqali bandlikning oshishi kambag'allik darajasining pasayishiga xizmat qiladi. Ko'plab rivojlangan mamlakatlar oilaviy tadbirkorlikni iqtisodiy rivojlanishning muhim tarkibiy qismi sifatida qo'llab-quvvatlamogda. Xitoy, Germaniya va AQSh tajribalari oilaviy biznesning muvaffaqiyatli faoliyat yuritishi uchun muhim shart-sharoitlar yaratishning ahamiyatini ko'rsatadi. O'zbekistonda oilaviy tadbirkorlikni rivojlantirish bo'yicha xorijiy tajribani inobatga olgan holda, biznes muhitini yaxshilash va davlat tomonidan qo'llab-quvvatlash mexanizmlarini takomillashtirish lozimdir.

Under the leadership of the President of our country, special attention is paid to the development of family entrepreneurship, comprehensive support for the activities of industry entities, and the expansion of the production of high-quality and competitive products. The Law of the Republic of Uzbekistan "On Family Entrepreneurship" serves as an important guide for action in this direction. Family

entrepreneurship has a solid legal basis in the legislation of the Republic of Uzbekistan, namely the Law "On Family Entrepreneurship" adopted on April 26, 2012, and the Resolution of the President of the Republic of Uzbekistan No. PP-5041 "On additional measures to be implemented within the framework of family entrepreneurship development programs" adopted on March 27, 2021, which defined the legal status of this sector and played an important role in the development of family entrepreneurship. Based on this law and resolution, family enterprises are subject to state registration and acquire the status of a legal entity. Over the past three years, within the framework of programs aimed at developing family entrepreneurship and ensuring the employment of youth and women in gainful work, more than 15 trillion soums in preferential loans have been allocated to more than 600,000 people and business entities.

Legal frameworks for the development of family entrepreneurship are being improved, and legislative support for family enterprises, financial opportunities, state benefits, subsidies, loans, and grants are expanding.

The potential of family entrepreneurship in our country's economy is developing in a unique way. As of August 1, 2025, there are 37,816 family enterprises operating in Uzbekistan. This indicator has increased by 1,551 since the beginning of the year. When the number of family enterprises was studied by region, it was: Samarkand region - 7,768, Surkhandarya region - 4,033, Fergana region - 4,503, Khorezm region - 4,656, Tashkent region - 3,639, Tashkent city - 3,009, Kashkadarya region - 3,395, Navoi region - 3,207, Andijan region - 1,514, Jizzakh region - 1,420, Namangan region - 1,005, Republic of Karakalpakstan - 2,056, Syrdarya region - 292.

The number of family enterprises is particularly high in the Samarkand, Surkhandarya, and Fergana regions, indicating the dynamic development of entrepreneurial activity in these regions.

Family enterprises are spreading to more regions. The increase in the number of family enterprises in Samarkand, Surkhandarya, and Fergana depends on factors

such as road, electricity, financial infrastructure, state programs, and the economic activity of the population.

Family enterprises have a unique distribution by industry, with 15,125 operating in trade (over 40% of the total), 8,565 in industry, 7,244 in accommodation and food services, 2,596 in agriculture, forestry, and fisheries, 652 in healthcare and social services, 339 in transportation and storage, 299 in construction, 244 in information and communication, and 2,752 in other sectors.

Family enterprises are the central link in the segment of small and medium-sized businesses within the economic system of Uzbekistan. According to statistical data, family enterprises provide 20–25 percent of the republic's GDP and 35–40 percent of employment. These data show that the role of family enterprises in the economy of Uzbekistan is extremely important. Family entrepreneurship has emerged as a key driver of the small and medium-sized enterprise (SME) sector, playing a direct role in increasing economic activity, sustainable regional development, and improving the population's standard of living. The contribution of this sector to the economy is particularly evident in its share of GDP and employment. The 20-25% share of family enterprises in GDP confirms their important role in ensuring macroeconomic stability. This indicates, first and foremost, that family businesses consistently contribute to the sustainable growth of production and services. Such enterprises strengthen the internal stability of the national economy due to the rational and efficient use of local resources and the ability to create high added value in the value chain. Family entrepreneurship also strengthens economic diversification through the development of small businesses. That is, risks between different sectors of the economy will decrease, new market segments will be formed, and the local production ecosystem will expand. The high share of family enterprises in GDP means that their activity is not limited to traditional areas, but is also consistently expanding in sectors such as services, trade, tourism, agriculture, and handicrafts. As a result, family entrepreneurship not only revitalizes economic activity at the micro level but also becomes a strategic factor

stimulating structural changes in the national economy. Family enterprises are one of the most important segments of the employment market, having become the main core group of the labor market with a share of 35–40%. This situation is explained by several factors. First, family enterprises create a small and flexible labor market. They provide employment for the local population by creating new jobs and expand access for women and youth to the labor market. Secondly, family entrepreneurship increases the economic activity of the regions.

Most family businesses operate in rural and remote areas, which helps reduce interregional economic disparities. Third, family businesses reduce informal labor. Their entry into the formal sector will improve legal working conditions, expand social protection mechanisms, and ensure socio-economic security. This confirms the role of family entrepreneurship in ensuring not only economic but also social stability. Family enterprises also play an important role in increasing regional economic activity. According to the results of the comparative analysis conducted by region, the employment rate and the average income level are significantly higher in regions with a high number of family enterprises. At the same time, family enterprises contribute to ensuring market stability by effectively utilizing local resources.

Family enterprises are an effective mechanism for creating employment. According to data obtained through surveys and interviews, each family enterprise provides an average of 5–10 jobs. This will serve to increase employment at the local level, reduce poverty, and strengthen social stability. It should be noted that jobs in family enterprises are often long-term, and relationships with employees are developed as a family. This increases worker motivation and improves labor productivity. Family enterprises must effectively apply generation replacement mechanisms to maintain long-term stability. The process of generational change in family enterprises in Uzbekistan is carried out based on consistently established mechanisms. First of all, this process is based on the principle of planned hereditary continuity, that is, parents gradually transfer the main tasks related to the direction

of activity, strategic goals and financial management to their children. At the same time, an important part of the exchange is the process of personnel training and the formation of a management culture: the younger generation acquires practical knowledge and skills in the daily activities of the enterprise, the management process, customer relations, innovative approaches, and market requirements. Finally, the distribution of executive and advisory roles between generations further improves the decision-making system in family enterprises - while the older generation plays a more strategic advisory role, the younger ones take on practical management duties.

Thus, the succession of generations ensures the stability, innovative potential, and long-term development of the family business.

The main features of family entrepreneurship are: a) the owner and manager are family members—the business is managed by family members; b) employees are often members of the family; c) there is a division of responsibility and profit among family members; d) the scale of the small business and the provision of services to the local market; family values and traditions influence business activities.

In family enterprises, processes such as the transfer of leadership from generation to generation and the distribution of property and management responsibilities are of great importance. In many enterprises, there is a growing trend toward the participation of the younger generation, elements of external management, and the use of professional consulting services. At the same time, factors such as uncertainty in global and local economic conditions, inflation, and supply chain disruptions lead enterprises to carefully build their business models and seek to stabilize their core activities.

Family enterprises are distinguished by their own advantages, namely: their flexibility leads to quick decision-making; low costs, low external interference; a reliable environment—high labor efficiency due to trust between family members; employment—employment of family members, especially in rural areas, is of great

importance; and the continuation of traditional craftsmanship serves to develop traditional arts and crafts that are passed from profession to profession, which determines the important place and significance of these business entities in our country's economy.

There are also problems in the activities of family enterprises, which include the following:

- offering more technological support (digital trade, agrotechnology, automation) to family enterprises;
- expanding preferential lending and subsidies, especially for small businesses;
- development and implementation of practical guides on ESG principles;
- courses for planning and improving leadership skills in generational change processes;
- access to markets, expansion of export opportunities, focus on marketing and brand building, lack of technological knowledge and equipment.

To overcome the aforementioned problems, measures such as expanding preferential loans and subsidy programs, providing tax incentives to family business entities, developing vocational and business education, and assisting in promoting products to domestic and foreign markets will help overcome these problems.

Family enterprises operate as a stable segment of the economic system, making a significant contribution to the continuous growth of production and service volumes and contributing to the sustainable development of the national economy.

Family characteristics of management, hereditary continuity of ownership, and the presence of generational succession mechanisms are the key organizational factors ensuring the long-term stability of the enterprise, enhancing its competitiveness. Furthermore, family enterprises contribute to the dynamic development of the local economic system by increasing regional economic activity, creating new jobs, and strengthening market competitiveness. The innovative activities, diversification strategies, and long-term planning processes implemented by these enterprises further strengthen their economic efficiency and sustainability.

Literature.

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