



USING ENTREPRENEURSHIP TO IMPROVE THE WELL-BEING OF THE POPULATION

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Abstract

This article examines the improvement of the methodology for using entrepreneurship to improve the well-being of the population in terms of an important factor in poverty reduction.

Keywords: Entrepreneurship, well-being of the population, poverty reduction, methodology, improvement.

Introduction

As in every country, in our country, improving the standard of living and well-being of people has become one of the priorities of state policy. At the beginning of 2020, our President identified poverty reduction as the main task of state policy. In general, the recognition of the existence of a poor stratum in Uzbekistan was the first turning point in the policy in this area. It was openly stated that in 2020 the number of poor people in the country would be 12-15 percent of the population.

Today, a number of measures, strategies, and concepts are being developed in our country to reduce poverty, further improve people's living standards, and ensure sustainable development. In particular, in accordance with the Development Strategy of New Uzbekistan for 2022-2026, it is planned to halve the poverty level in the country by the end of 2026.

The main factor in poverty reduction is the development of entrepreneurship, in particular, family entrepreneurship, small business, individual entrepreneurship, self-employment. Based on this, a scientific study was conducted on the areas of further development of entrepreneurship, ways to reduce poverty.

Analysis of the literature on the topic. With the definition of poverty reduction as a priority task of state policy in our country, scientific work in this area has also intensified. A number of scientific works are being carried out by scientific experts



and scientists in the field of economics. In particular, N. Ernazarova put forward the idea that the activities of business sectors, including family business, play an important role in reducing poverty in the country through the development of entrepreneurship, which is the most important in the sustainable development of the country's economy, increasing employment and income of the population, and taking a leading place in solving economic and social problems.

In recent years, economic researchers and specialists from relevant ministries have been conducting extensive research on the issue of poverty reduction in our country. In particular, in his scientific analytical article, Doctor of Economic Sciences M. Kalonov noted that the concept of "poverty" has been a "closed topic" until now and that it differs from the concepts of "underprivilegedness" and "neediness".

O.Kh. Makhmudov studied the factors of poverty reduction in families, in particular, the possibility of reducing poverty through the development of the service sector. A sufficient number of studies have been conducted by specialists on the issues of further development of entrepreneurship. The issue of developing entrepreneurship in the service sector is reflected in the scientific research of Sh. Kuvondikov. Also, marketing problems in the development of private entrepreneurship, the organization of sales channels, the development of after-sales services, customer service in wholesale trade were studied in the studies of D.H. Kholmatov. In these studies, issues such as the creation of new jobs in entrepreneurial activity, ensuring employment of the population, and increasing incomes of the population were also studied.

The role of entrepreneurial activity in poverty reduction and the main features inherent in its significant ways are substantiated, and it is explained that the further development of entrepreneurship is the main factor in poverty reduction. During the study, monographic observation, logical thinking, systematic approach, analysis and synthesis methods were used.

In our country, the development of entrepreneurship has been identified as an important direction in ensuring socio-economic development. It should be noted that a solid legislative and legal framework has been formed and is being constantly improved for the further development of entrepreneurial activity, and the state systematically provides assistance in granting business privileges and preferences, technical and technological re-equipment and modernization of production.

Over the past period, as a result of the increase in the level of socio-economic development in our country and the favorable conditions created for private



entrepreneurship, many enterprises that have increased their economic potential are trying to maintain the number of their employees within the established quantitative limits in order to continue using these benefits. This hinders their expansion.

Small business and private entrepreneurship are gaining a strong place in the country's economy. In particular, in 2024, 54.9 percent of GDP, 27.0 percent of industry, 72.4 percent of construction, 74.4 percent of employment, 22.3 percent of exports and 48.7 percent of imports will fall to small businesses.

The role of entrepreneurial activity in the economy can also be seen in the strengthening of economic indicators. The role and place of entrepreneurship in the economy can also be seen from the analysis of the volume of key indicators in economic sectors. In 2024, 204,787.4 billion soums of trade services and 144,812.7 billion soums of the remaining services will go to small businesses and private entrepreneurship (Table 1).

Table 1. The volume of key indicators of small business and private entrepreneurship in sectors of the economy

Indicators	Unit of measurement	Years				
		2020	2021	2022	2023	2024
Industry	billion soums	61367,8	87962,0	83344,2	103020,8	121719,2
Construction	billion soums	22469,4	37451,7	53960,9	63866,6	77762,0
Employment	a thousand people	10541,5	10128,8	10318,9	9865,7	10070,7
Export	million US dollars	2759,3	3810,8	4714,8	3100,9	3711,2
Import	million US dollars	7511,9	10916,2	14972,2	10943,3	12389,0
Trade	billion soums	92973,0	114896,4	138920,7	164106,1	204787,4
Agriculture, forestry and fisheries	billion soums	152010,5	191759,2	219466,9	253238,2	307280,2
Services	billion soums	69212,7	84433,4	103106,6	114052,7	144812,7
Freight transportation	million tonna	548,8	611,7	641,0	638,9	678,9
Freight turnover	million ton-km	10444,4	11657,7	12152,3	12304,6	13108,1
Passenger transportation	million passengers	5037,5	5242,6	5345,0	4904,8	5237,6
Passenger turnover	mln.pass.km	111435,0	115335,2	117412,7	107766,7	114681,5



As can be seen from this analysis, entrepreneurial activity mainly falls into the sectors of agriculture, forestry and fisheries, trade and services. It is in these sectors that the development of entrepreneurship serves as the main direction of poverty reduction. Today, self-employment is also a key factor in poverty reduction. It is precisely service activities that constitute the main part of self-employment activities.

There is no universally accepted and unified agreement on the definition of poverty and its international criteria. Each country defines it based on its own poverty criteria. In particular, according to the UN definition, poverty is manifested in the lack of choices and opportunities throughout a person's life, the presence of obstacles to full participation in society, and in the lack of opportunities to feed and clothe one's family, to receive education or treatment in a hospital, to work in a certain field, or to earn a living.

Poverty is also a social limitation of individuals, households and communities, and their vulnerability to risks (from the "Poverty Measurement Manual" of the United Nations Economic Commission for Europe, New York, Geneva, 2017).

Therefore, based on the above arguments, providing the population with work and creating sufficient sources of income is considered the main factor in reducing poverty. Entrepreneurship and self-employment are what keep the population employed and have a sufficient source of income.

In order to further reduce poverty through the development of entrepreneurship, it is advisable to implement the following:

- 1) Develop entrepreneurship in neighborhoods, including through the "neighborhood" system of working, studying the sources of income of families, including the use of household land, and the desire and needs for gainful employment "household by house", studying the problems of the unemployed population, especially unemployed youth and women, directing them to vocational and entrepreneurship training courses and providing practical assistance in engaging in labor activities, allocating loans aimed at further supporting the entrepreneurial initiatives and startup ideas of young people;
- 2) Establish partnership mechanisms between individual entrepreneurs providing home-based services and large and medium-sized enterprises, including organizing home-based work, and providing services on the basis of outsourcing agreements. In particular, it is advisable to organize after-sales service with manufacturing enterprises and attract specialists to service centers;



3) develop the activities of unemployed youth in social networks by improving their skills and qualifications in IT fields, further develop the system of self-employment of youth through social media marketing, promotion and advertising of goods and services on social networks, acceptance of online orders, delivery of goods, etc.

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