

ECONOMIC AND SOCIAL EFFECT OF SMALL BUSINESS DEVELOPMENT IN THE REGION: MECHANISMS FOR INCREASING POPULATION INCOME

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ABSTRACT:

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This article examines the issue of increasing the income of the population through the development of small businesses in the region. The article provides the necessary political, economic, social and legal conditions for supporting and developing small businesses, as well as practical recommendations. It also presents innovative directions of small businesses, financial opportunities and effective strategies for business management. The positive and negative aspects of developing small businesses in the region are analyzed, and practical skills and mechanisms for business development are presented.

INTRODUCTION. Small business development is an important factor in strengthening the regional economy and increasing the population's income. Small business plays a unique role by creating many jobs, diversifying the local economy and improving the well-being of the population. Today, the development of small and medium-sized businesses, increasing the population's income, and ensuring economic equality remain pressing issues in stabilizing regional economies. One of the main goals of building a socially oriented market economy in Uzbekistan is the priority development of small business and private entrepreneurship in the country. To achieve this goal, economic reforms have been carried out, large institutional foundations have been created to enhance its role. These include regulatory documents on the organization and provision of entrepreneurial activity, non-governmental organizations and enterprises that provide assistance to entrepreneurs. In Uzbekistan, a complex of private entrepreneurship and small businesses is being

successfully formed. Small businesses that are independent of the state, that is, without large capital investments, can independently create jobs, reduce temporary shortages of goods, or even completely eliminate these shortages. In our modern society, it is necessary to direct the activities of small businesses to meet the needs of individuals. This is especially evident in the areas of household services and the production of consumer goods. Small business is also of great importance in the implementation of technological innovations. Small business and private entrepreneurship are an important factor in the development of the economy, employment and growth of income of the population. In order to comprehensively support representatives of this sector, over fifty decrees and resolutions of the President have been adopted over the past two and a half years. In particular, the procedures for state registration of entrepreneurial activity, obtaining various permits and many other services have been simplified. To create convenience in this regard, the State Services Agency and its territorial centers have been created. The position of an authorized person for the protection of the rights and legitimate interests of business entities (Business Ombudsman) has been introduced. Reception offices of the Prime Minister have been created in all regions to receive and assist in resolving appeals from entrepreneurs. The State Fund for Support of Entrepreneurship Development under the Cabinet of Ministers has been created, to which 200 billion soums and 50 million US dollars have been allocated. At the same time, the volume of lending to entrepreneurs by commercial banks has increased. Such practical measures are bearing fruit. Small business provides about 60 percent of the gross domestic product of our country, a third of the volume of industrial output, 98 percent of agricultural products, half of investments. In many regions, 70-90 percent of exports come from small businesses. The main goal of Uzbekistan's economic reforms is to build an open foreign policy, a stable socially oriented market economy, a strong democratic rule of law and a civil society. Market reforms are being systematically and consistently implemented in the republic. That is why the following conditions have been created in our republic for the development of small businesses and private entrepreneurship:

➤ The registration period for small business entities is 30 minutes. To register as an individual entrepreneur, only one document is required, and to register a small business entity as a legal entity, two documents are required.

➤ The single tax payment rate, which is considered an important factor in creating favorable conditions for the development of small businesses in almost all sectors, is 5% of the volume of goods and services sold. At the same time, the current single social payment rate for small businesses is 15%.

➤ Newly established manufacturing enterprises with foreign investment are granted the right to apply the tax rates and mandatory payments in effect on the date of their registration for five years. Since 2018, it has been established that small enterprises with a land area of more than 1 hectare will pay a single land tax.

➤ Financial support for small business entities is provided in the following ways: provision of loans by banks at preferential rates; guaranteeing 50% of credit funds provided for entrepreneurial activity by the State Fund for Entrepreneurship Support, and reimbursement of expenses for the payment of interest accrued on loans from commercial banks.

Main directions of small business development:

Financial support

One of the main obstacles to the development of small businesses is the lack of financial resources. Therefore, the state needs to provide financial support to small businesses, introduce affordable loans, tax breaks and subsidy programs. It is also important to improve financial literacy and provide advice to small businesses on effective financial management.

✓ *Education and training*

It is important to have practical knowledge and skills in developing small businesses. To do this, it is necessary to organize regular training courses, workshops, seminars and business education programs for business owners and their employees. These events are important not only for effective business management, but also for creating new opportunities and implementing innovative ideas.

✓ *Implementation innovative technologies*

The use of innovative technologies is of great importance in the development of small businesses. In particular, digital technologies and online sales allow small businesses to enter the global market. In addition, automation and new technologies allow for the efficient organization of production processes, lower prices and higher quality products.

✓ *Cooperation with foreign markets*

It is important to establish cooperation with foreign markets in the development of small businesses. Expanding export opportunities, bringing products to foreign markets, establishing international connections make small businesses more competitive. To do this, it is necessary to prepare the business for export and bring the quality of products and services to international standards.

Social foundations in the development of small business

The social aspect of small business development is also very important. Such business, especially in the regions, increases the economic activity of the local population, which leads to an increase in income and social stability. Small businesses should also feel their social responsibility and take on such responsibilities as the production of environmentally friendly products, support for local producers, and the implementation of projects that are useful for society.

We see an increase in the contribution of small businesses to the country's economy due to the creation of small industrial zones, improvement of the investment climate and competitive environment, expansion of public procurement volumes within the framework of public-private partnerships with small businesses, strengthening of mutually beneficial

cooperation between large and small enterprises, and involvement of business entities in innovation processes. It is also worth noting that financial support for successful and promising small businesses that have sufficient export potential, but do not have sufficient capital for further development, is of great importance. These measures will contribute to the creation of additional jobs in the sphere of effective small businesses, increase their access to world markets, allow the country to increase its export potential and increase the income of the population.

The results and recommendations are that the development of small business in the region is an important means of increasing the population's income. To do this, it is necessary to strengthen cooperation between the state, the private sector and society in supporting small business. Small business can be further developed through financial assistance, educational programs, the introduction of innovative technologies and the establishment of links with foreign markets. The role of small business in ensuring regional economic stability and improving the well-being of the population is important not only in economic but also in social terms.

In conclusion, it should be noted that the development of small business in the region is an effective tool for increasing the population's income. To do this, it is necessary to create opportunities for small business cooperation with financial, educational, technological and external markets. Also, by supporting small business, it is possible to diversify the region's economy, improve social welfare and create new jobs. It is expected that these processes will lead to an increase in the population's income and ensure economic stability.

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