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## Development Of Small Business And Entrepreneurship In Industry And Its Influence On Employment Of Population

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### ABSTRACT

This article highlights the priorities for increasing employment through the development of small business and private entrepreneurship in industry. It analyzes the development of small business and private entrepreneurship in Samarkand, one of the regions of the country, its role in socio-economic development and employment.

### KEYWORDS

Small business, private entrepreneurship, employment, industries, industrial products, development indicators.

### INTRODUCTION

At present, special attention is paid to the development of small business and private entrepreneurship in the country. Because the issue of development of small business and private entrepreneurship is considered as a strategic task of the economic policy of our state. By attracting the population to small business and private entrepreneurship, not only improving the living standards of the

people, but most importantly, providing employment is one of the priorities of today's globalization. Consistent measures taken in recent years to support and encourage small business and private entrepreneurship, a number of program areas are leading to the development of small business and entrepreneurship.

### THE MAIN PART

It is worth mentioning that small business and private entrepreneurship plays a significant role in the production of industrial products in Samarkand region. More than 99 percent of industrial enterprises operating in the region in 2015, 55, 4 % of produced gross industrial product exactly corresponds to the share of small business subjects. The share of small business in the content of industrial products is high in regions which have the low level of industrial development, absence of large

manufacturing enterprises. In particular, almost all of industrial products of Bulungur, Nurabad, Taylak and Kushrabod, Urgut and Samarkand districts were produced by small business subjects. The share of small business in the content of industrial products produced in this districts which their name above mentioned is from 90% till 100%. The lowest indicators in this field conforms to the share of large industrial enterprises located in Samarkand city (40,6 %) and Jomboy district (19,9%) (Table 1).

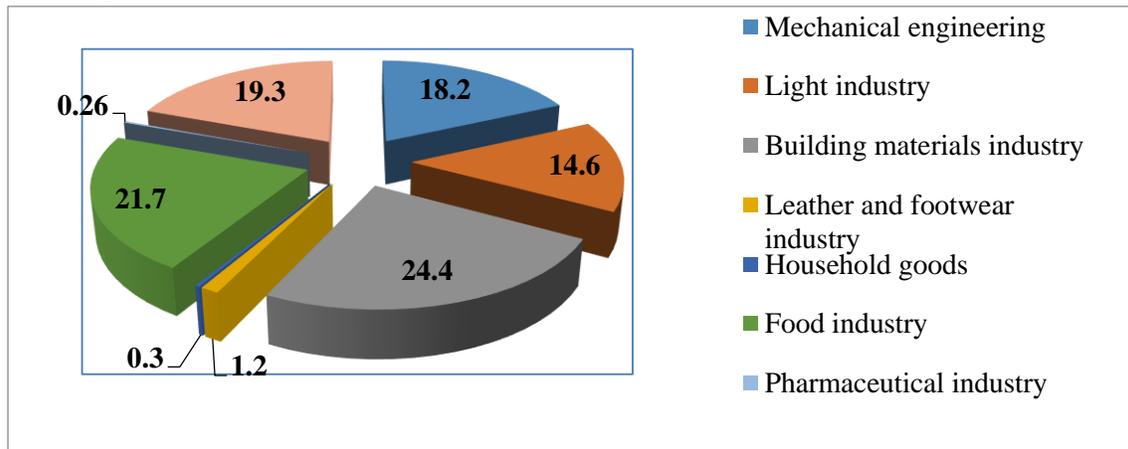
**Table 1. The activity of small businesses subjects in the field of industry in the cities and districts of Samarkand region (2015)**

The name of the city and the districts	The share of small business in the content of produced industrial products, %	The number of small business subjects functioning in the field of the industry, unit	The volume of industrial products produced by small business subjects, billion.sum	The volume of industrial products corresponding to each small business subjects, million.sum
According to the region	55, 4	3046	3131,3	1028,0
Cities:				
Samarkand	40,6	1040	1070,0	1028,9
Kattakurgan	59,9	114	83,2	729,8
districts:				
Bulungur	100,0	68	102,7	1510,1
Jomboy	19,9	110	142,8	1297,7
Ishtikhan	68,7	153	61,6	402,4
Kattakurgan	47,1	75	64,9	865,3
Narpay	83,8	98	160,4	1636,5
Nurabad	100,0	58	21,5	370,7
Akdarya	88,0	114	96,5	846,9
Payarik	82,1	75	104,2	1388,8
Pastdargom	59,1	224	115,4	515,1
Pakhtachi	71,6	54	58,5	1083,1
Samarkand	95,2	322	384,6	1194,4
Taylak	100,0	90	190,2	2112,8
Urgut	92,9	373	453,1	1214,6
Kushrabot	98,6	78	22,0	281,9

Source: Statistics Committee of Samarkand region

Nowadays the number of small industrial enterprises operating in Samarkand region is 3046 (Table 1). Information about their branch and territorial content is reflected in Figures 42 and 43. Among the small industrial enterprises the building materials industry (24,4%), food industry (21,7%), mechanical engineering and metal processing (18,2%), light industry (14,6%) and other sectors of industry constitute 21.7 percent (Figure 1). In addition, the lowest

indicator in the content according to the branches of small industrial enterprises functioning in the region is (0,3%) in electrical household goods, (0.2%) pharmaceutical industry, (1.2%) leather-shoes industry. It can be said from that, the share of these sectors in the branches content of small industrial enterprises operating in the region is very low and underdeveloped (Figure 1).

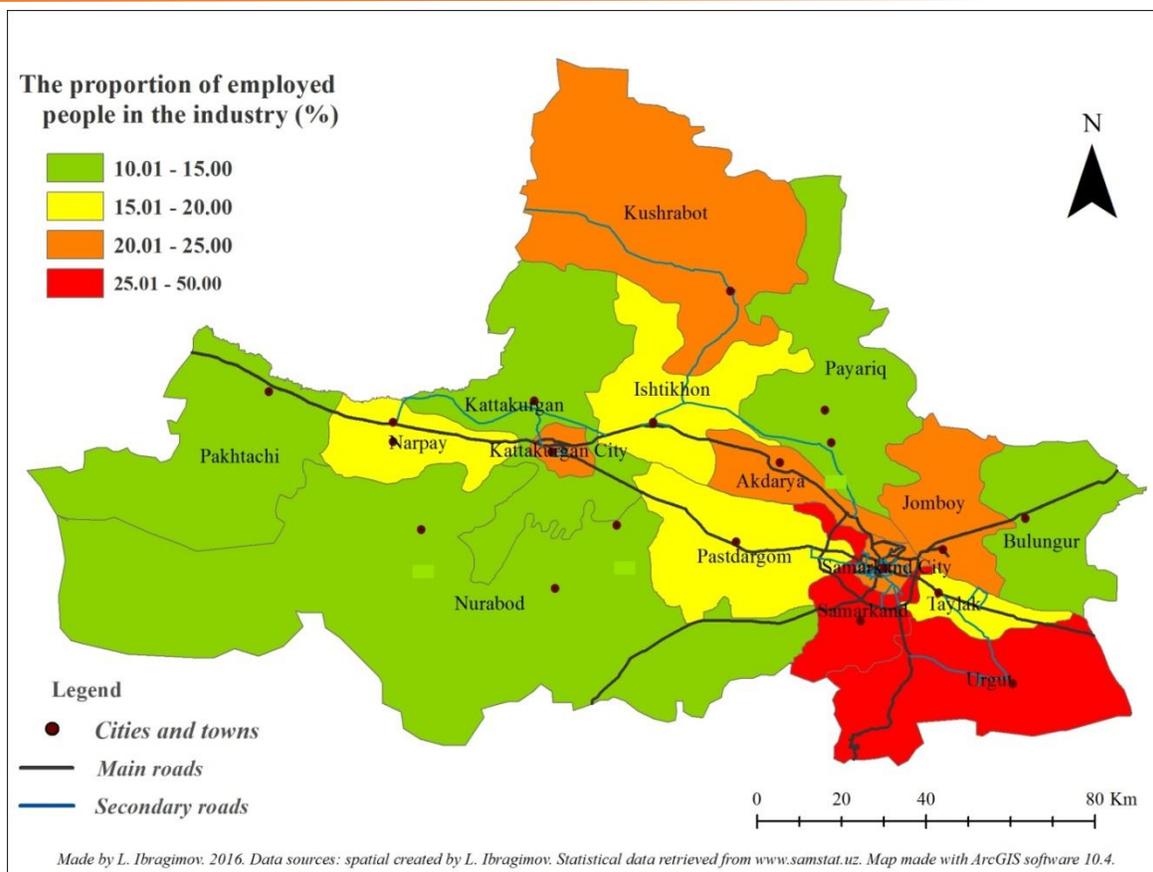


Source: Statistics Committee of Samarkand region

Figure 1. The content of small industrial enterprises operating in Samarkand region according to sectors, % (2015)

The data of 1-figure indicates that, the share of Samarkand city (34,1%), Urgut (12,2%), Samarkand (10.6%), Pastdargom (7,4%) and Ishtikhan (5,1%), Akdarya districts (3,7%) and Kattakurgon city (3,7%) occupies the leading places in the territorial content of small industrial enterprises. The lowest indicators in this regard conforms to Pakhtachi (1,7%), Nurabad (1,9%), Bulungur (2,2%), Kattakurgan (2,4%), Kushrabot (2,5%) districts. The share of small industrial enterprises in the rest of the districts like Jomboy, Narpay, Taylak districts is not so high. At the present time due to the attention paid to the small business in the country, it is occupying suitable place in each

sector of its economy. It can be seen not only in the republic, as well as in the economy of Samarkand region. For example, the rise of share of those operating in the field of industry in the content of total small business subjects is the confirmation of our above opinion. At the present time this indicator is average around 20% in the region. However, this indicator is dramatically different from each other in cities and districts of region. We tried to divide “the share of those is operating in the field of industry in the content of total small business subjects” in districts and city of region into four groups (Figure 2).



**Figure 2. The proportion of employed people in the industry in the content of total small business subjects, % (2015)**

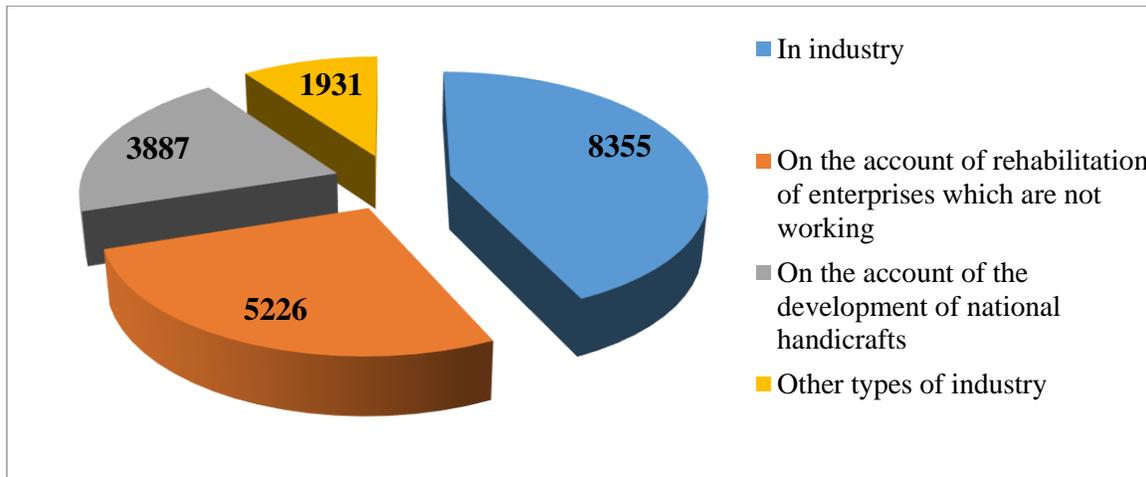
The first group is Samarkand and Urgut districts and the share of those operating in the field of industry in the content of total small business subjects is more than 25% that is why, it has been rated as high. The second group consists of Samarkand and Kattakurgan cities, as well as Akdarya, Jomboy, Kushrabort districts. In this group the share of those operating in the field of industry in the content of total small business subjects is from 20% till 25%, that is why, it has been rated as average. The third group includes Ishtikhon, Narpay, Pastdargom, Taylak districts. In this group the share of those operating is from 15% till 20% that is why, it has been rated as low.

The fourth group includes Pakhtachi, Nurabad, Kattakurgan and Payarik districts. In this group

the proportion of employed people is from 10% till 15% that is why, it has been rated as the lowest. In this group's indicator about 5-15% (Figure 3). In conclusion, during the research among the regions of republic the highest indicators on the development of the industry were rated in Samarkand region. Consistently carried out structural changes, the localization of the manufacture of industrial products, diversification and the modernization works of enterprises are serving as the basis. Furthermore, the implementation of the state programs aimed at the development of industry is also becoming an important. And most importantly, events like the state policy on the development of small business and private entrepreneurship, establishment of

small industrial zones and techno parks in territories are serving as the important factor. As mentioned above, the regional programs on the provision of population employment - serves as the main mechanism of the state

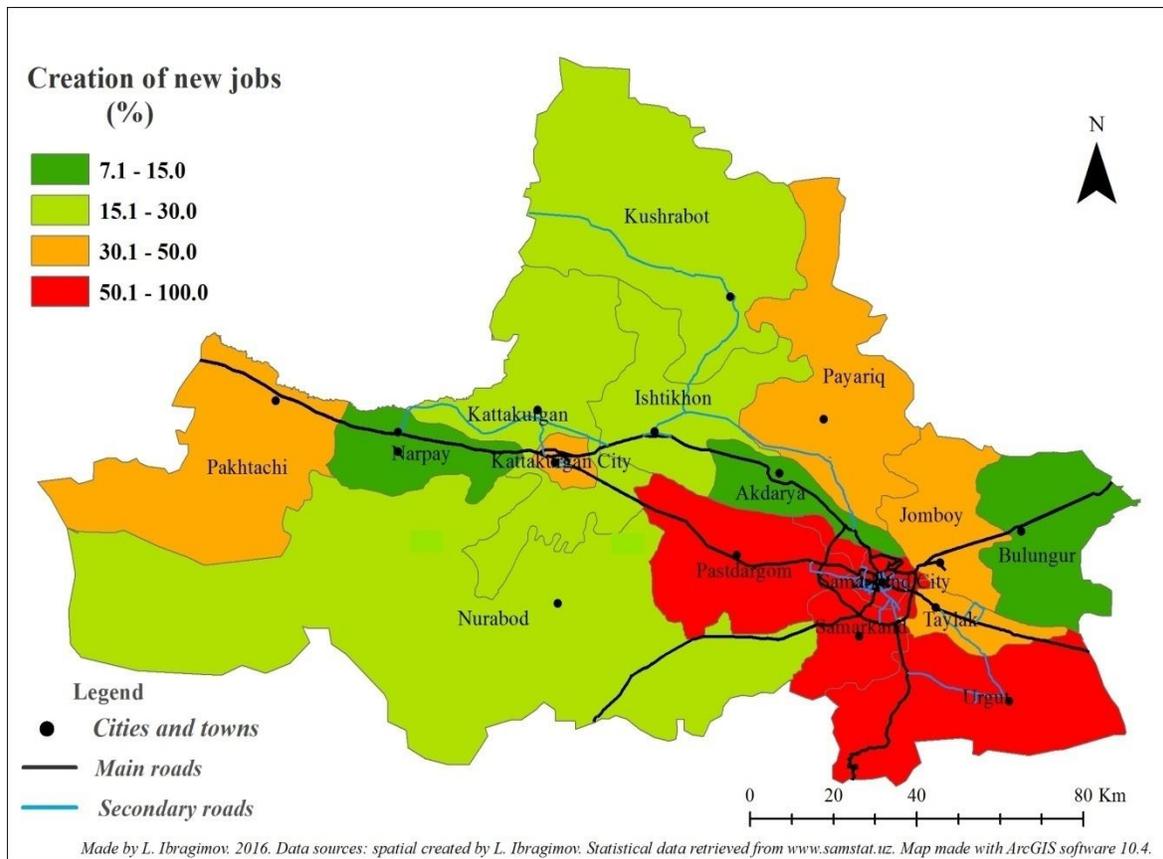
policy in the sphere of employment in Uzbekistan. If about 95 thousand jobs were created in 2015 in Samarkand region, from which, according to the targeted programs, 19.4 thousand jobs were created (Figure 3).



**Figure 3. In 2015 sources in the creation of new jobs in the industrial production, unit**

It should be noted that in this field the creation of new jobs is the priority in the industrial sector. In particular, in accordance with the targeted programs 43.1% of the created jobs correspond to the share of industry; it confirms

this opinion (Table 30). According to the targeted programs, analysis of created jobs in the city and districts shows that, the regions with the highest share of industry in this area are Urgut (64.4%), Samarkand (58.0%), Pastdargom (56.9%) districts and Samarkand city (61.3%).



**Figure 4. Creation of new jobs in the industrial production, % (2015)**

The share of industrial field is over 50 percent in the created jobs of all city and districts, which their names above mentioned. This condition is related with the launch of new industrial enterprises and the start of their operations in these regions.

Furthermore, districts with average indicator in the creation of new jobs in the industrial sectors include Payarik (47,2%), Taylak (42,7%), Kattakurgan city (39,2%), Jomboy (32,3%) and Pakhtachi (32, 4) districts. The share of industrial field is 30 percent and higher than it in the work places created in this city and districts. As well as the areas with the lowest indicator include Pakhtachi (23,8), Nurabod (23,7), Kattakurgan (18,9%), Ishtikhan (16.6%) districts. The share of employment in the work

places created in this districts is between 15-30%. The lowest indicators were recorded in Akdarya (11,9%), Bulungur (10,2%) and Narpay (7,1%). The share of employment in the work places created in these districts is between 5-15%. In addition, on the account of the rehabilitation of enterprises, which are not functioning in the region, 5226 job places were created, due to the development of national handicrafts, again 3887 additional jobs were created (Figure 5). One of the significant aspects of the results obtained in the process of analysis is that, even though the sources of providing employment to population in the industrial production are various, prevail in the regional differences in many cases belongs to the city of Samarkand and Urgut district, partly

to Samarkand and Pastdargom districts. In addition to the above-mentioned reasons, the large number of population in these regions and high level of density, high rate of industrialization, high interest of population in entrepreneurship and other similar factors also play an important role.

The name of one of the above mentioned areas which has facilities for the development of industrial production, that is to say, it is giving opportunity to establish free industrial zone in Urgut district. A small industrial zone was established in the deserted lands of Bogishamol and Mergancha neighborhoods. At the present time, about 1,200 people are working in more than 40 industrial enterprises located in this area. In 2017, the implementation of again 78 projects on the production of industrial products in the district and the creation of 3,400 jobs are being planned. Tax, credit and customs privileges offered for manufacturers will lead to the creation of more new jobs.

### CONCLUSION

In conclusion, during the research among the regions of republic the highest indicators on the development of the industry were rated in Samarkand region. Consistently carried out structural changes, the localization of the manufacture of industrial products, diversification and the modernization works of enterprises are serving as the basis. Furthermore, the implementation of the state programs aimed at the development of industry is also becoming an important. And most importantly, events like the state policy on the development of small business and private entrepreneurship, establishment of small industrial zones and techno parks in territories are serving as the important factor.

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