

## PROVIDING EMPLOYMENT BY IMPROVING THE EFFICIENCY OF FAMILY BUSINESSES

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**Abstract:** *In the article, the opinions about the socio-economic side of the development of family entrepreneurship in the conditions of the digital economy, the role and importance of family entrepreneurship in the national economy, as well as the ways to develop and increase the efficiency of family entrepreneurship are expressed, and also the statistics are given.*

**Keywords:** *Family entrepreneurship, family business, state regulation, support, family entrepreneurship in the service sector.*

### INTRODUCTION:

The final result of the socio-economic reforms implemented in the world is aimed at ensuring the well-being of families. As stated in the development strategy of New Uzbekistan for 2022-2026, In the framework of the strategy of action on the five priority directions of development of our country in 2017-2021, it is aimed at radical reform of all spheres of state and community life during the past period about 300 laws, more than 4 thousand decisions of the President of the Republic of Uzbekistan were adopted. In terms of reforming the national economy, effective measures have been taken to liberalize foreign trade, tax, and financial policies, support entrepreneurship and guarantee the integrity of the private property, organize deep processing of agricultural products, and ensure rapid regional development[2].

Based on the in-depth analysis of complex global processes and the results of our country's progress, in the following years, based on the principle of "For human dignity", we will further increase the well-being of our people, transform economic sectors and rapidly develop entrepreneurship, unconditionally ensure human rights and interests, and active citizenship. The third priority direction of reforms aimed at the formation of society is the 29th goal of rapid development of the national economy and ensuring high growth rates "Creating conditions for the organization of business activities and the formation of permanent sources of income, the share of the private sector in the GDP to 80% and the share of exports to 60% to deliver". Solving these tasks requires conducting systematic research on the development and efficiency of family entrepreneurship in the service sector. This determines the relevance of the topic.

First, the family business can operate their business and sell the products in the residence where the family lives. Such an opportunity given to a family business makes

it much easier to start a family business and to continue it effectively. It also reduces the cost of products and services provided by them.

Secondly, it is not required to convert residential premises belonging to the participants of the family enterprise on the basis of property rights into non-residential premises for the purpose of using them in the activities of the family enterprise, except for the cases stipulated by the legislation for certain types of activities.

### **Research methodology**

In the process of illuminating this article, the laws of the Republic of Uzbekistan on entrepreneurship, the decree of the President of the Republic of Uzbekistan, the books of the President of the Republic of Uzbekistan, the content and essence of the scientific works of economists in the socio-economic fields were studied, and the existing economic indicators of the development of the family business sector were analyzed.

### **Literature review**

A number of scientific researches are being conducted in the world on the development of family entrepreneurship. These include issues such as the economic and social importance of family business, its role in the country's economy, the main types and directions of family business, sources of family income, and ways to reduce costs. In many countries, comprehensive research is being conducted in areas such as the development and improvement of efficiency of family entrepreneurship, providing employment to the population, and improving their well-being.

The importance of family entrepreneurship in the country's economy has been studied by many foreign scientists, including A.V. Chayanov, G.S. Becker, R. Basso, R.S. Anderson, D.M. Ryeb, D. Prayogo, N.M. Barkhatova, G.A. Tanevski, A. Volkov, A.M.S. Valleyo, S.O.Kalendjian, Ye.V.Korchagina, V.A.Korolev and A.Chernitsky[3] have been scientifically and practically studied in their studies. Development issues of family entrepreneurship in our republic have been researched by M.K. Pardayev, A. Olmasov, H.P. Abulkosimov, U.D. Akhmedov, B. Berkinov, O.M. Pardayeva, I.L.Pugach, G.M.Shadiyeva, D.T.Yuldashev [4] and other scientists.

In our country, the development of family entrepreneurship in the field of service provision, improvement of the economy, providing employment to the population, improving their well-being, and raising the standard and quality of living are becoming urgent issues.

### **Analysis and discussion of results.**

In the decision of the President of our country on the implementation of the program "Every family is an entrepreneur" it is emphasized that it is necessary to popularize family entrepreneurship, crafts, homemaking and other types of entrepreneurial activities with potential" [5]. It can be seen that one of the many directions of family business development is the problems related to the development

and efficiency improvement of family business in the service sector. In order to ensure the rapid development of this field, it is an objective necessity to improve the legal framework. Because the sphere of small business and private entrepreneurship is an important factor of the sustainable growth of the country's economy, the creation of new jobs, and the increase of income of the population. The role of small business and private entrepreneurship in ensuring stable socio-economic growth in our country is incomparable. Using family business opportunities (homemaking, handicrafts, baking, opening a home kindergarten and nursery, taking additional classes, etc.) is one of the appropriate ways to use internal opportunities. Taking into account the effective impact of family business on the economy, on April 26, 2012, the Law of the Republic of Uzbekistan "On Family Business" was adopted. This law consists of 35 articles, the main purpose of which is to regulate relations in the field of the family business. Milan stated that "Family business is one of the important cells of the body of the economy and is a necessary part for the development of the transitional economy" [6]. Based on the definition given in the law "On Family Entrepreneurship", the term "Family Entrepreneurship" is used in Uzbekistan as "Family Business" and "Family Business is an initiative activity with the taking of income (profit) by family members at the risk and under their own property responsibility. Compared to other types of enterprises in Uzbekistan, the following benefits have been created for family enterprises.

First, the family business can operate their business and sell the products in the residence where the family lives. Such an opportunity given to a family business makes it much easier to start a family business and to continue it effectively. It also reduces the cost of products and services provided by them.

Secondly, it is not required to convert residential premises belonging to the participants of the family enterprise on the basis of property rights into non-residential premises for the purpose of using them in the activities of the family enterprise, except for the cases stipulated by the legislation for certain types of activities.

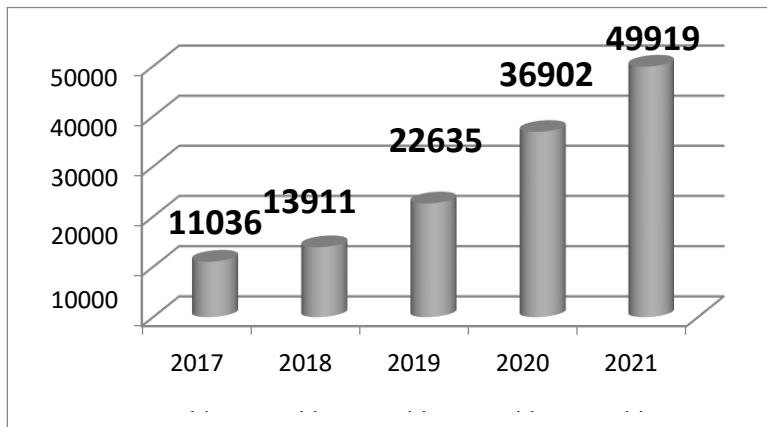
Thirdly, if the family enterprise uses the residence for the production of goods (execution of work, provision of services) while living in it, the payment for utility infrastructure services (electricity, water supply, sewage, gas supply and heat supply) It is carried out according to the rates and conditions set for the population. In particular, these opportunities created for family business entities serve to increase their competitiveness.

### **Conclusions and suggestions**

Today, the number of family businesses in our republic is increasing. The third place in terms of the number of enterprises operating in our republic according to the organizational and legal form is occupied by family enterprises, as of August 1, 2021, they make up 10.9 percent of the total number of business entities.

**Number of family businesses on August 1, 2021**

**1-diagram**

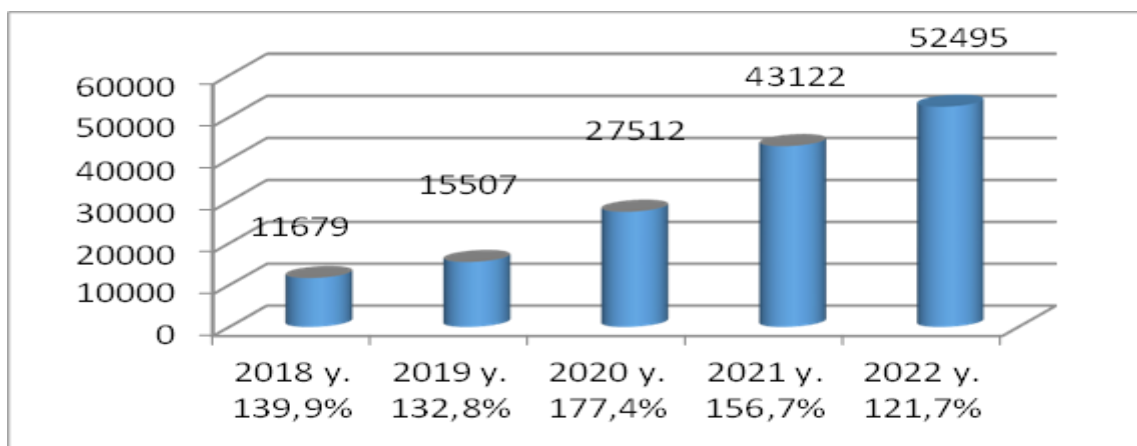


\* Source: Compiled based on the information of the State Statistics Committee of the Republic of Uzbekistan.

As can be seen from the above data, the number of family enterprises established as a result of systematic reforms in our republic was 11,036 in 2017, and in 2021, the number of family enterprises increased by four times to 49,919.

**The number of family factories according to the condition on January 1, 2022**

**2-diagram**



\* Source: Compiled based on the information of the State Statistics Committee of the Republic of Uzbekistan.

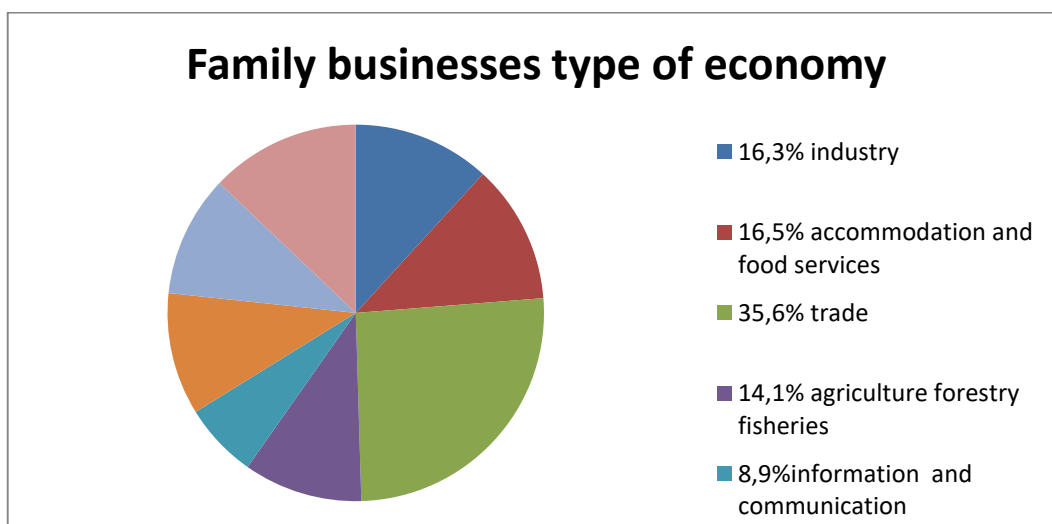
During the years 2016-2022, the trend of development of family business in all types of economic activity was observed. In the industry, their number was 3188 in 2016, and 15889 in 2021. 1137 and 6340 in agriculture, forestry and fisheries, 1311 and 16691 in trade, 99 and 416 in transportation and storage, and 619 and 8502 in accommodation and food services (diagram 3). The main indicators of family business activity in Uzbekistan by types of economic activity. As of January 1, 2022, the

number of state-registered and operating family businesses has increased to 9,373. A significant increase in the number of enterprises in the following sectors compared to 2021: in trade from 12,312 to 16,691 (an increase of 4,379), in industry from 13,667 to 15,899 (an increase of 2,232), accommodation and catering services increased from 7,295 to 8,501 (an increase of 1,206).

According to the level of specialization of family enterprises operating in our republic in the types of economic activity, 16.3% of them are industrial, 16.5% are accommodation and catering services, 35.6% are trade, 14.1% are rural. , forestry and fisheries, 8.9% information and communication, 14.5% construction, 14.4% transportation and storage and 17.8% other activities.

**According to the types of economic activity**

**3-diagram**



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An uneven trend can be observed in terms of the share of family business entities operating in our republic in the region. As of January 1, 2021, Samarkand 9041, Fergana 5778, Surkhandarya 5400, Syrdarya 354, Namangan 1165, Jizzakh 1661 belong to their number. Such a trend can be observed in other indicators of regional development. There are various reasons for this, which may be related to the favorable geographical location of the regions, natural resources and climatic conditions, the level of development of infrastructure facilities, and the influence of other factors. Of course, such factors also affected the development of family business.

**CONCLUSION**

Firstly, in the context of the establishment of the economy of New Uzbekistan, it is appropriate to support business entities and increase the effectiveness of the state's mechanisms for supporting family business.

Secondly, it is necessary to come up with means to solve the problems of consumers in family business activities.

Thirdly, to create the necessary conditions for the implementation and development of family business activities

Fourthly, in order to achieve one entrepreneur from each family, in order to form entrepreneurial skills among the population, to regularly carry out propaganda work, to train qualified personnel for the industry.

Fifth, in the studied studies, in the assessment of the efficiency of family business in the development of regions, it is recommended to further develop the following types of activities of family business in the field of service provision:

- trade and catering (retail, national cuisine and restaurants) services;
- national crafts, repair services and household goods;
- computer and modern information technology services (types of services such as internet cafe, small printing house, mobile connection and "paynet");
- transport services;
- photo and beauty salons (rental of bridal dresses and wedding equipment, etc.).

In 2018-2021, broad involvement of the population in business activities, as a result of the implementation of programmatic measures to create conditions for the formation of additional and stable sources of income by ensuring their employment in crafts, household and other areas of entrepreneurship, the economic condition of the population, especially families in need of social protection in remote areas will improve to a certain extent.

At the same time, the development of small business, family entrepreneurship, ensuring the employment of the population, increasing the effectiveness of the financial support system for programs for women and young generation initiatives, as well as fundamentally improving the working methods of commercial banks with state participation and the popularity of banking services. it is necessary to establish full-fledged partnership relations with broad segments of the population, small businesses and family businesses.

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