



THE DYNAMICS AND ITS ANALYSIS OF THE INDICATORS OF THE ENTREPRENEURSHIP ACTIVITY OF THE HOUSEHOLDS

Egamberdiyeva Salima Rayimovna

Karshi engineering-economic institute,

associate professor of the department of "Accounting and Audit"

e-mail: segamberdiyeva@internet.ru,

phone: +99890-517-30-80

Turobov Sherzod Alisherovich

Karshi engineering-economic institute, senior lecturer of the

department of "Accounting and Audit"

e-mail: sh.turobov@mail.ru, tel: + 99891-453-77-57

Abstract: The article reveals the essence of entrepreneurship in the growth of the degree of household profit and key areas of entrepreneurial activity, as well as the development of entrepreneurship by increasing the active activity of households. Examples were given of discussions on incentives and loans, government policies and increasing household entrepreneurship. The complex elements of analysis including observation, saving, systematizing, statistic, critical and analytical analyses in terms of the finance of the households and their investment to be performed, are depicted in this article. If the suggestions given in this article are conducted, the activity of the households in the economy will rise more remarkably.

Key words: household entrepreneurship, agriculture, gathering of citizens, profit, employment, lending, subsidies, family entrepreneurship.

Introduction

In the market industry one of the main functions of the households is considered to organize family business. "The family business is proactively independent activity oriented to make a profit using family capital effectively. The family capital is demonstrated there as physical, social, financial and intellectual capitals of the family members¹. The factor stimulating to widely develop the family business is a dramatic rise in the area of service (sale, general nutrition, resting and so on) as a result of the multiple changes of the economy. In this small family business companies operate expediently and relatively efficiently. One of the important features of the family business is that it does not try to maximize its revenue but its essential aim emanates from demands of satisfying the needs of the income, employment of the household (the family) and performing its opportunities.

Main part

The success of the family business belongs to, at first, material resources of the family, secondly, the entrepreneurial ability of its members, the chosen direction of the activity, its object as well as demographic descriptions, the number, gender, age, health of the family members. The households conduct these functions through the service systems of the governmental and non-governmental organizations.

In the Action strategy it is paid specific attention to supplying private property rights and the reliable protection of its warranties, removing all the barriers and restrictions in the progress of private entrepreneurship and small business, giving full freedom to them, the events regarding implementing the principle "If the peoples are rich, the government will be rich too". Showing the analysis of the statistic data, in the Republic of Uzbekistan an increase of the Grossing

¹ Berkinov B.B. The economy of household. (Textbook), -T.: "Science and technology", 2014, -p.61.



Domestic Product was equal to 7,0 percent in 2005, 8,5 percent in 2010, 8,0 percent in 2013 and 5,1 percent in 2018. Thus, the amount of GDP in Uzbekistan went up to 2,7 times. There is a particular role of the sector of the household of the republic in these positive alternations. There were 5389,1 thousand households in 2010, 5885,4 thousand households in 2012 and 6520,4 thousand households in 2018 in the Republic of Uzbekistan when the number of them raised to 20,9 percent compared to 2010. According to the experts there are more than 4,2 million peasant farms in the republic.

The forms of the family entrepreneurship of the households have been existing for many years (private farm activity) and they are thought as one of the various services done by them. This process grew widely rapidly in the result of the economic reforms performed in the transition to a socially directed market economy in the Republic of Uzbekistan in the years of independence. For many years the people in our republic have been engaged unofficially with the family business and entrepreneurship, this means that they have not formed their official family firms. Now the chances of officially dealing with the family business through establishing the family firms arose after that the Law of the Republic of Uzbekistan about “The family business” was passed².

In the Republic of Uzbekistan the Law about “The family business” was passed in order to create the circumstances for every family to deal with the entrepreneurship and own the source of stable revenue on the 26th April, 2012. In Article 3 of the Law of the Republic of Uzbekistan about “The family business” the family business is an entrepreneurial activity performed by the family members to make a profit under taking a risk and property liability. The family business is based the option of their participants. The family business can be operated with or without the establishment of a legal entity. The family firm is an organizational-legal form of the family business carried out with the establishment of a legal entity. The family business is accomplished without the establishment of a legal entity in the manner prescribed by law³-is defined.

The Decree⁴ of the President of the Republic of Uzbekistan on “The extra measures about providing a rapid grow of the entrepreneurship activity, comprehensive protection of private property and enhancing business environment in terms of quality on the 5th October, 2016 and the Decree number-2750 of the President of the Republic of Uzbekistan on the 1th February, 2017 were announced. The Program of the complex measures representing 42 certain measures regarding five top priority fields on providing a rapid grow of the entrepreneurship activity, comprehensive protection of private property and enhancing business environment in terms of quality was confirmed in order to fulfill the rules of the Decree. With the initiative of the President the check up financial-economic activities of all the business entities has been ceased since 2018.

The Decree-3777 about actualizing the project “Every family-entrepreneurship” of the President of the Republic of Uzbekistan on the 7th June, 2017 is computed as a basically normative document determining legal, economic and financial bases of amplifying the economic activity of the households in our republic. Within this project the soft loans, which were up to 150 times the minimum wage for enveloping the family entrepreneurship, up to 1000 times the minimum wage for the registred business entities and more than 1000 times the minimum wage for crediting the investment projects of the business companies, were allocated.

As a result of the reforms effectuated in terms of modernization of the state and futher liberalization of the economy the number of the legal entities, which were the forms of the registred

² Abulqosimov H.P., Qulmatov A.A. The role of the family business and the ways of its development in the area of small business in Uzbekistan./Monography.-T.:”The University”,2015 .ISBN-p.54.

³The Law of the Republic of Uzbekistan about “The family business”, April 26, 2012. The Article 3

⁴The Decree number-4848 of the President of the Republic of Uzbekistan on the 5th October, 2016, <http://www.lex.uz>

family business, reached over 48,9 thousand small businesses and micro-firms (excepting farms and peasant farms) in the period of 2018, which was 28,2 percent more than in the same period last year.

1-table

The main indicators of progressing the small business in the period between 2005 and 2018

№	The indicators	Unit of measurement	2005	2010	2012	2018
1.	The share of small business in GDP	%	38,2	52,5	54,6	59,4
2.	Cum small entities and micro-firms	%	21,5	32,7	33,9	38,3
3.	The number of people engaged in small business	mln. people	6,7	8,6	9,3	9,9
4.	The share in total employment	%	65,5	74,3	76,0	79,3

The role of small business and private entrepreneurship in the development of the family business is continuously rising in the economy of the country, which appears in elevating volume of production of goods and services and expanding their assortment at first, supplying the employment of the population of the country and multiplying their real income. The share of small business in GDP grew from 38,2 percent to 59,4 percent or 21,2 punkt, including the share of small businesses and micro-firms in GDP increased from 21,5 percent to 38,3 percent or 16,8 punkt in the period from 2005 to 2018. The amount of the employed in the sector of small business included in 8,0 million people in 2008, the number of the employed in this sector composing 9,9 million people or 79,3 percent of the economically active population of the republic in 2018. This indicator formed 78 percent in Japan, 72 percent in Italy, 69,5 percent in Germany, 54 percent in the USA⁵.

The growth of the employment in small business is calculated as a paramount factor in reducing low-income population. The contribution of small business in the industrial production accrued from 9,8 percent in 2005 to 34,7 percent in 2018 as a consequence of a sustainable surge of small business entities being reorganized, creating comfortable business environment, lowering tax rates on single tax payments, simplifying the infrastructure of production and conditions of access to resources as well as fortifying cooperative relations between large companies and small business entities.

The part of small business entities in the construction industry magnifying from 49,4 percent in 2005 to 65,6 percent in 2018, is being contemplated. The reason of this is that “2009-the year of rural development and prosperity” was called by the President of the Republic of Uzbekistan, the government program concerning radical improvement of villages, modernizing housing, raising the living standards of the rural population to a new level was received and Asian Development Bank was involved to this program to finance model housing construction since 2012.

Drinking water networks, rural medical centers, general education institutions, objects of the social infrastructure, service and maintenance along with to erection of housing estates were put to use by the small businesses. More than 90 percent of the total volume of constructure works is being conducting by the small business entities in the regions of our republic. In particular, this

⁵ www.stat.uz



rate composed of 96,4 percent in Andijan, 68,5 percent in Namangan and 98,3 percent in Samarkand⁶.

Supporting the small business companies which produce expert products by the government gave an opportunity to exceed the portion of the small businesses in the growth of the amount of export products and services. The increase which was from 6 percent to 26,5 percent of the proportion of the small businesses in export caused to transcend from 18,0 percent to 38,9 percent in the share of the small businesses in the total foreign trade turnover of the country in the period from 2005 to 2018⁷.

The significant rise in the contribution of the small business firms in the export of industrial products were able to be seen in the following branches: from 17,9 percent to 94,0 percent in food industry (78,1 punkts), from 6,7 percent to 68,4 percent in medicine (61,7 punkts), from 35,1 percent to 89,0 percent in printing industry (53,9 punkts), from 5,3 percent to 40,0 percent in building materials industry (34,7 punkts), from 10,5 percent to 26,8 percent in fuel industry (16,3 punkts) and from 2,3 percent to 16,7 percent in machinery industry (14,4 punkts). It should be made a special note that the part of the small businesses was sufficiently considerable in the export of microbiological industry products which reached an upper trend at 100 %.

Craftmanship is also regarded as one of the vital forms of the family business. Craftmanship is saved, uncurled in Uzbekistan at all times. During the former totalitarian regime artistic and applied crafts are kept in spite of various pressures. After our republic has achieved the independence, well-becoming atmosphere is being composed and disappearing types of the craftmanship are restored too⁸. Including, over 40 thousands of new job places were formed through implementing the projects oriented to the progress of the craftmanship in the period of 2018. In addition, more than 23 thousands of men and women are taught to this profession in over 5 thousands of "master-student school" established around our country. To propagate the craftmanship The first international craftmanship festival was carried out in Kokand on the 14th September, 2019. In current times the family entrepreneurship is developing remarkably in the directions of embroidery, sewing, weaving, carpentry, goldsmithing, coppersmith, pottery, painting, jewelry, baking, handicrafts, carving, national knife and other similar crafts deemed as family craft professionals which have been concerned by family dynasties for many years⁹. Furthermore, up-to-date kinds of the craftmanship, particularly, professions such as repairing car, electrical products, television and radio engineering along with to mobile phones, computer techniques are coming into being and developing in our republic.

The role of home-based work is magnifying in the improvement of the family business. The taxes and other benefits were given to the small firms and families which operated their activity based home-based work according to the Decree-3706 of the President of the Republic of Uzbekistan about "The measures of stimulating to enlarge the cooperation between production and service based on going ahead the home-based work with massive industrial companies" on the 5th January, 2005. In particular, the firms carrying out the home-based work have been exempted from single social payment in the remuneration fund until 2019. Moreover, tool equipment, fixings

⁶ The social-economic condition of the Republic of Uzbekistan. – T.: 2018. – P.143.

⁷ Almanax "Uzbekistan 2015". Tashkent: 2016. The economic research center. The social-economic condition of the Republic of Uzbekistan. – T.: 2018. – P.145.

⁸ Abulqosimov H.P., Qulmatov A.A. The role of the family business and the ways of its development in the area of small business in Uzbekistan./Monography.-T.: "The University", 2015. .ISBN-p.64.

⁹ Abdullayeva R.G. The family business-a main factor of providing the employment of the population and improving living standarts./Theoretical and practical aspects of modernization of the national economy (the collection of scientific articles) appendix to the journal "Economy and finance", 4-number. 2014.-43 page.



and inventories which are supplied to a worker for free using to do works by the contact on the order of the enterprise are exempt from property tax. The decree-244 of the Cabinet of Ministers of the Republic of Uzbekistan about "Approving the statute on the regulation of registering complex business license (franchise) agreement" on the 4th November, 2010 serves to create convenient opportunities for the firms and family business entities operating on the base of a franchise system, enhancing franchise in our state¹⁰.

"The family business and entrepreneurship is more prosperous in the area of production of the agricultural products, which is based with that the rural people are provided with erfs"¹¹. "The peasant farm is a family business which is managed by one person- the head of the family or its member. This kind of business has no right to utilize the labor of hired worker"¹². "The peasant farms are a shape of business on the basis of horticulture"¹³.

CONCLUSION

One of the vital rates of soaring the economic activity of the households is providing them by proprietary. The more the size and quantity of property (material and financial) in the households are, the higher the level of their economic activity is. Their property objects include: land, means of production, money and securities, human capital, personal, family, private labor, hired private property, information, and so on. The entrepreneurial and hard-headed households strive to levy the maximum efficiency from these resources. Entrepreneurial and business households strive to get the most out of these resources. They utilize it as an object of exchange of resources between other economic entities to supply their vital needs and the extended reproduction of human capital as well as to obtain the high levels of the income. The households can get the revenue from renting their land and means of production, investing money in bank deposits and exchanging income in the form of interest, information and data.

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4. The Decree number-4848 of the President of the Republic of Uzbekistan on the 5th October, 2016, <http://www.lex.uz>.
5. The social-economic condition of the Republic of Uzbekistan. – T.: 2018. – P.143.

¹⁰ Abdullayeva R.G. Supporting the small business by the authority in Germany. // Theoretical and practical aspects of modernization of the national economy (the collection of scientific articles).appendix to the journal "Economy and finance", 4-number. 2014.-35 page.

¹¹ Abulqosimov H.P., Qulmatov A.A. The role of the family business and the ways of its development in the area of small business in Uzbekistan./Monography.-T.: "The University", 2015. .ISBN-p.48.

¹² Berkinov B.B. The organizational-economic problems of the development of the peasant farms. The scientific-theoretical conference in the topic of "The issues of the development of the peasant farms in the situation of liberalization of the economy and deepening agrarian reforms". May 23-24, 2003. -T.: The scientific-research institute of the market reforms.

¹³ The economy of peasant and farms. Textbook. Salimov B.T. and others. -T.: TSEU. 2004. -12-p.



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