



# International Journal for Innovative Engineering and Management Research

A Peer Reviewed Open Access International Journal

www.ijiemr.org

**COPY RIGHT**



**ELSEVIER**  
**SSRN**

**2021 IJIEMR.** Personal use of this material is permitted. Permission from IJIEMR must be obtained for all other uses, in any current or future media, including reprinting/republishing this material for advertising or promotional purposes, creating new collective works, for resale or redistribution to servers or lists, or reuse of any copyrighted component of this work in other works. No Reprint should be done to this paper, all copy right is authenticated to Paper Authors

IJIEMR Transactions, online available on 5th April 2021.

Link: <https://ijiemr.org/downloads/Volume-10/Issue-4>

**DOI: 10.48047/IJIEMR/V10/I04/13**

Title: **THE PLACE OF SMALL BUSINESS AND SMALL INDUSTRIAL ZONES IN PROVIDING EMPLOYMENT FOR THE RURAL POPULATION**

Volume 10, Issue 04, Pages: 46-49.

Paper Authors:

**Allayarova Mastura Kudratullaevna<sup>1</sup>, Jonikulov Bekhzod Ravshanovich<sup>2</sup>**



USE THIS BARCODE TO ACCESS YOUR ONLINE PAPER

To Secure Your Paper As Per **UGC Guidelines** We Are Providing A Electronic Bar Code

## THE PLACE OF SMALL BUSINESS AND SMALL INDUSTRIAL ZONES IN PROVIDING EMPLOYMENT FOR THE RURAL POPULATION

Allayarova Mastura Kudratullaevna<sup>1</sup>, Jonikulov Bekhzod Ravshanovich<sup>2</sup>

<sup>1</sup>Senior Lecturer, Department of Economics, Gulistan State University,

<sup>2</sup>Student, Gulistan State University, Uzbekistan

e-mail: [mastura\\_KA\\_1967@mail.ru](mailto:mastura_KA_1967@mail.ru)

**Abstract:** The article shows the place small business and small industrial zones in providing employment for the rural population and increasing their well-being. In recent years, the number of people employed in small business and private entrepreneurship has increased in the republic. Malyn industrial zones created in the regions, together with the development of the country's economy, will give entrepreneurs the opportunity to develop their small business, as well as the jobs created in them will provide jobs for unemployed youth, including the rural population.

**Keywords:** small business, small industrial zones, employment of the population, jobs, rural population.

### Introduction

In recent years, the problems of socio-economic development of rural areas, especially vacant lands, have become increasingly important in Uzbekistan. It is known that in rural areas there is a decline in quality of life, high unemployment, low incomes and poverty, deterioration of the demographic situation and other problems. It is therefore important to develop and implement economic impact measures in this regard. In particular, the diversification of the agricultural economy can be used. This will make it possible to develop non-agricultural activities and services in rural areas, expand employment and increase incomes of the rural population.

In a number of countries, including the republic, comprehensive assistance is provided to rural areas to expand the employment of certain social groups (youth, women, people with disabilities). At the same time, some funds also stimulate economic activity in rural areas. Sustainable rural development programs in developed countries place great emphasis on encouraging employment in the non-agricultural sector. For Uzbekistan, too, the development of non-agricultural employment, ie alternative employment, farming, employment of entrepreneurs without higher education, etc., is one of the urgent tasks of

social and economic policy. Self-employment through microcredit, small business, small business development are effective ways to address socio-economic problems such as poverty and unemployment.

Currently, small industrial zones are one of the most effective ways to develop small business and support it by the state. According to the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated December 31, 2014 No 378 "On approval of the Regulations on the procedure for establishing and organizing the activities of small industrial zones" .

Small industrial zones create great opportunities for regional development. In particular, it will accelerate industrial production, increase the investment attractiveness of the regions for entrepreneurship, attract new investment and new technologies, stimulate entrepreneurship and open up opportunities for their development. to use, create jobs for the population and produce new competitive products. [4]

### Literature review.

The issues of creation of small industrial zones in Uzbekistan, their activity and economic efficiency, their role in providing employment have been studied almost. Articles of scientists and specialists of the republic on

small industrial zones have been published. B.Salimov's article discusses the internal and external factors influencing the establishment and development of small industrial zones in Uzbekistan and develops their classification, shows the essence of the main factors that need to be taken into account today and develops recommendations for their practical use [4]. Articles on the development of small business and entrepreneurship, their role in providing employment to the population have been published a bit more. For example, GN Mahmudova in her article showed the role of family businesses in the development of small business and private entrepreneurship on the example of Fergana region, on the basis of statistical data [3]. Z.A.Tolametova, A.A. Kulmatov explained that the development of small business and private entrepreneurship is an important factor in creating new jobs [5]. In the articles of Sh.R.Kholmominov, K.Z.Khomitov, N.R.Saidov the methodological bases of a sociological assessment of employment and unemployment of the rural population are offered [7].

### **Research methods.**

Economic, comparative analysis, systematic analysis, methods were used in the research process. At the same time, published scientific works of Uzbek and foreign scientists on this topic were used. In the context of restructuring and diversification of economic relations, it is important to scientifically analyze the activities of small business and small industrial zones in the country, identify existing opportunities to increase production efficiency and employment of the rural population and forecast development trends. However, our research has shown that there is a lack of literature and methodological framework for the analysis of the activities of small industrial zones and their role in employment.

### **The main results.**

The high share of labor resources in the rural population, the level of employment of the rural population is not at the required level,

the majority of jobs created in rural areas are short-term and seasonal, a significant part of the employed population lives in low-wage sectors, the informal sector and Unstable employment, unemployment of a significant part of the able-bodied population, lack of active efforts to attract foreign investment, underutilization of employment opportunities in the processing, social infrastructure, family business and home-based work, and poorly organized external and internal labor migration observed [6]. The share of the rural population in the total population of the country is 49.4%. As of January 1, 2018, the number of labor resources in Uzbekistan amounted to 18666.3 thousand people, of which 8716.8 thousand or 46.7% live in rural areas. The main part of the unemployed in the country (73.4%) is in rural areas.

According to Internet sources, 4.0 mln. registered Uzbek migrant. 3.46 mln. (86.5%) are those who work abroad in rural areas. [7, p. 34].

The work carried out in our country to increase the efficiency of free economic zones, technoparks and small industrial zones, the creation of new ones plays an important role in this. On October 8, 2017, President of the Republic of Uzbekistan Shavkat Mirziyoyev at a meeting on the analysis of the effectiveness of work on the development of free economic zones and small industrial zones noted that 96 small industrial zones are operating in the country, 1021 projects worth 535 billion soums have been implemented. more than 9,600 jobs have been created. In addition, it is planned to create 11,000 new jobs as a result of 248 projects. The role of small industrial zones in attracting investments, developing entrepreneurship, creating new jobs and improving the welfare of the population was highlighted at the meeting.

Looking at foreign experience, according to the German National Strategic Plan, one of the goals of rural policy is to "improve the quality of life in rural areas and promote diversification of agricultural activities." In doing so, each federal land develops its own development programs and outlines support and funding measures in those programs. The

relevant authorities analyzed the socio-political situation in rural areas, the decline in the share of the population employed in agriculture, the existing and possible directions of decent employment, the development of rural areas depends on the expansion of employment in industry, services and tourism. , the necessary measures will be developed. For Germany, the directions of expanding employment in rural areas are reflected in the innovative use of renewable energy sources, the development of handicrafts, the development of nature protection and landscape services, water conservation, horse breeding, opening public catering. State support of non-agricultural activities by small businesses in order to create new jobs, the introduction of investments, the improvement of rural areas for the development of tourism are also objects of state attention [2].

On December 25, 2020, President Shavkat Mirziyoyev visited the Youth Forum of Uzbekistan and said that it is the responsibility of governors to develop and implement roadmaps to address youth issues, report every six months and set action plans for the new half year. "Youth: 1 They spoke about the organization of vocational education and business training for unemployed and unorganized youth within the program "+1", the initiative to support one unemployed young person to each entrepreneur on the principle of "Every entrepreneur is a youth assistant." Thanks to this principle, in 2021, at least 500,000 young people will be employed. Strengthening the tradition of "Teacher-Apprentice" in the field, a system of financial incentives from the Employment Promotion Fund will be introduced for artisans involved in this process. At the forum, the President proposed to create small industrial zones for young people in the regions. Youth business projects will be placed in these industrial zones. A special fund will be set up under the Ministry of Investment and Foreign Trade to finance innovative ideas and projects of young people, which will be allocated \$ 100 million. Production facilities will be built in small industrial zones and will be provided to young

people on preferential terms of rent and leasing [1].

If we look at the creation of small industrial zones in the Syrdarya region, over the past 3 years in Yangier built more than 10 social and cultural facilities, more than 50 new buildings. In 2020 alone, more than 300 jobs were created for women by local entrepreneurs.

Employment is one of the most important conditions for the socio-economic development of society and it has a special role in the economy. Small business and private entrepreneurship is one of the main directions of creating new jobs in the country. Extensive work has been done in Uzbekistan to further support and develop small business and private entrepreneurship, services and home-based work, as well as further development of production and social infrastructure as the most important direction to further improve employment and increase its welfare.

Today's most important issue in creating new jobs in terms of employment is the development of small business and private entrepreneurship, providing them with a wide range of opportunities and benefits [5, p. 75].

Small business and private entrepreneurship are important drivers of economic development, employment and income. In recent years, more than 50 decrees and resolutions of the President of the Republic of Uzbekistan have been adopted to support the industry, great attention has been paid to the development of the legal framework, financial assistance, protection of entrepreneurs, training and retraining, market infrastructure. Today, small business in our country is showing growth rates. In January-September 2019, the share of small business in GDP was 57.2%. For comparison: the share of small and medium-sized businesses in the GDP of developed countries is 50-60%, in particular, in Poland - 51%, in Germany - 53%, in Finland - 60%, in the Netherlands - 63%.

One of the key indicators of the development of the global business environment is the World Bank's Doing Business report, which is the most authoritative, recognized and most cited research and assesses

the ease of doing business on 10 indicators in 190 countries. The country's position in this ranking not only reflects the comfort of the business environment, but is also an important criterion in making investment decisions in the international business community. As a result of the measures taken, Uzbekistan has risen from 138th to 69th place in the Doing Business ranking of 190 countries. In addition, in the 2019 Index of Economic Freedom published by the American research institute Heritage Foundation, Uzbekistan ranked 140th in 2019 and rose from 152nd place in a year with a score of 53.3 points [8].

### Conclusions and recommendations.

The development of small business in rural areas will allow diversifying economic activities in the rural economy, expanding resources to form the revenue base of the local budget, sustainable development and sustainability of rural areas, expanding employment and rural self-employment, improving the living standards of the rural population.

The main directions of small business development in rural areas are:

- processing of agricultural raw materials and products (except for excisable goods);
- shopping and catering in rural areas (including roadside shops and cafes);
- construction of consumer services, housing and industrial facilities for the rural population;
- production of folk handicrafts;
- Production of various handicrafts, in particular, handicrafts;
- collection and processing of wild plants, fruits and berries; rural tourism, including hunting and fishing tourism, etc .;
- transport services and other types of services.

Creating new jobs in agricultural and non-agricultural businesses in rural areas, small industrial zones, training individuals in new professions and the basics of small business, assisting legal entities and individuals creating new jobs in rural areas to reduce rural

unemployment and increase household income helps solve reproduction problems.

### Literature:

1. The President announced the creation of small industrial zones in the regions // [Electronic resource] URL <https://kun.uz/ru/news/2020/12/25/> The President announced the creation of small industrial zones in the regions // v-regionax
2. Corbut L.S. Development of small neselskoxozyaystvennogo business on the village. // Nikonovskie chteniya. 2007. S.467-469.
3. Mahmudova G.N. Development of small business and family entrepreneurship in rural areas. // Economics and finance. 2012. №11. 37-40 bb.
4. Salimov B.B. The system of factors of construction and development of industrial zones. // Economy and Finance / Economics and Finance. 2019, 4 (124). 9-15 bb.
5. Tolametova Z.A., Kulmatov A.A. Development of small business and private entrepreneurship as an important factor in creating new jobs. // Economics and finance. 2015. №2. 74-85 bb.
6. Kholmuminov Sh.R., Khomitov K.Z. Effective development of the labor market and its modeling (monograph). -Tashkent: "Fanvatechnologiya" publishing house. 2015. - 250 p.
7. Kholmuminov Sh.R., Khomitov K.Z., Saidov N.R. Methodological bases of sociological assessment of employment and unemployment of the rural population. // Economics and finance. 2018. №9 (117). S.33-38.
8. Shovkatov A., Akramov A. Kurbanova D. Small business as the main driver of economic development: sostoyanie, problems of development and the proposed measures of stimulation // [Electronic resource] URL: <https://mineconomy.uz/ru/news/view/3005>