

# THE ROLE OF FAMILY ENTREPRENEURSHIP IN REDUCING POVERTY IN THE URTACHIRCHIK DISTRICT OF THE TASHKENT REGION

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**Annotation.** This article examines the characteristics of family business development in Urtachirchik district. This article explores the role and importance of family entrepreneurship in reducing poverty in the Urtachirchik District of Tashkent region. The article also analyzes achievements and problems in the field of family business in the region, as well as the experiences of developed countries.

**Key words:** Family business, poverty, production, fish and poultry farming, family, mini-farm, taxes, payment, salary.

The role and importance of family entrepreneurship in reducing poverty in the Urtachirchik District of the Tashkent region is enormous. Measures are being taken in the district to reduce. Including in reducing poverty, much attention is paid to the development of family entrepreneurship.

In recent years, the role of family enterprises in the development of sectors of the economy of Uzbekistan has been increasing. As of January 1, 2022, there are 52,906 family enterprises operating in our republic (Table 1). Business is developing most actively in the Samarkand and Fergana and Surkhandarya regions - the largest number of such enterprises operate there. Syrdarya region ranks last in the number of family enterprises.

**Table 1**

**Number of family businesses in Uzbekistan, 2022 y**

<b>№</b>	<b>Region</b>	<b>Number</b>
<b>1</b>	Samarkand region	9 176
<b>2</b>	Fergana region	5 808
<b>3</b>	Surkhandarya region	5 445
<b>4</b>	Khorezm region	4 699
<b>5</b>	Tashkent region	4659
<b>6</b>	Kashkadarya region	4 281
<b>7</b>	Navoi region	4 012
<b>8</b>	Tashkent city	3 494
<b>9</b>	Bukhara region	3 317
<b>10</b>	Andijan region	2 947
<b>11</b>	Republic of Karakalpakstan	1 940
<b>12</b>	Jizzakh region	1 695
<b>13</b>	Namangan region	1 179
<b>14</b>	Syrdarya region	352
	<b>total</b>	<b>52 906</b>

The formation of a market economy involves solving many economic problems, among which the development of entrepreneurial activity occupies an important place, and the family is involved in these processes.

Currently, family business is becoming one of the types of entrepreneurial activity formed at the intersection of two social institutions: family and business.

At its core, family entrepreneurship is a type of small business. The main features of family entrepreneurship are: the use of family property and financial resources as initial capital, as well as raising borrowed funds secured by family property; use of labor of family members in economic activities; consumer principle in economic activity, i.e. production for own needs and for the market.

Family entrepreneurship can operate in various fields. The experience of various countries shows that family businesses have more than 200 types of activities. These are small wholesale and retail trade, consumer services, small restaurant business, transport services for the population, farming, rental of cultural, household and household equipment, minor repairs and construction of housing, dachas, garages, utility and cultural buildings, accounting and auditing, folk crafts. Within the household, it is possible to organize intellectual work for specialists, scientists and young people who own computer equipment.

The interaction of the business structure with family connections provides a high level of motivation for entrepreneurial activity, ensures the sustainability of the family business and its organizational unity. The particular importance of family business is expressed in the possibility of involving family members with limited employment opportunities who cannot find work in other areas of activity.

In developed countries, family businesses play a key role in economic growth and job creation. In the United States, for example, more than 80% of all enterprises are family-owned, they provide about 60% of total employment and create about 80% of new jobs. In Great Britain, family businesses make up 75% of all firms in the country, producing about 50% of the national product; family businesses employ half of the country's population. In EU countries, family firms

make up 85 percent. Moreover, among small enterprises family enterprises predominate (68%), i.e. they constitute the economically active part of small businesses.

In 2023, the population of Urta-Chirchik district will be provided with preferential loans at a rate of 14% per annum as part of family business development programs. For those who want to engage in family business, certain work activities aimed at generating income, and expand the type of activity, loans will be issued for up to three years, including a grace period of three to six months.

Those wishing to specialize in livestock farming (cattle, sheep, goats), fish farming and poultry farming (egg production) - for a period of up to three years, including a grace period of up to one year. Priority will be given to those who aim to create mini-farms for breeding from 10 to 50 heads of pedigree livestock (cattle, sheep, goats) imported from abroad.

The families who decide to try their hand at gardening, viticulture and lemon growing, as well as those in need of purchasing greenhouses, agricultural machinery and equipment, will be provided with loans for up to seven years, including a grace period of up to three years.

The members of the Association “Khunarmand” (“Craftsman”) can count on receiving preferential loans for a period of up to three years and for replenishing working capital for a period of up to 18 months. The preferential loans are given for the purchase of equipment, spare parts and raw materials, the creation of centers for the development of handicrafts, “Master-Apprentice” schools), the construction of house-museums and workshops or the acquisition of buildings and structures for these purposes.

The loans will be allocated based on the recommendation of the assistant to the head of the district (city) on issues of entrepreneurship development, ensuring employment and reducing poverty in the mahalla (block of houses or flats). When allocating funds, priority will be given to projects aimed at ensuring self-employment of citizens included in the “iron notebook”, “women’s notebook”

and “youth notebook” (these are lists of low-income people in need of social protection and support for citizens), gainful employment or provision of their employment by permanent work (job creation). At the same time, the provision of loans will not be a basis for excluding citizens from these lists.

The results of the study showed that to accelerate the development of family entrepreneurship in the Urta-Chirchik region and increase its efficiency, the following measures are most appropriate:

- Identification in each region of the district of priority areas for the development of family entrepreneurship, taking into account local conditions to strengthen state support for this area;
- expanding financial support for family businesses through public and private banks, special funds and various government programs;
- creation of specialized targeted programs in the banking sector for lending to family businesses;
- providing property support to family businesses through financial leasing;
- promoting the innovative orientation of family businesses in order to produce and process new and competitive products, developing incentives and benefits that encourage entrepreneurs to switch to the production of innovative types of products, promoting the introduction of modern technologies and innovations in family businesses;
- full assistance from the state in expanding the investment potential of remittances from labor migrants, involving them in public and private projects on a mutually beneficial basis;
- creation of specialized services for conducting research in the field of family entrepreneurship;
- increasing the efficiency of business centers and business incubators in the regions, attracting economic educational institutions to conduct courses on organizing family businesses, trainings with the participation of the most

successful family entrepreneurs, organizing internships to exchange experiences among family business representatives;

- increasing the efficiency of information and consulting centers in order to provide more complete and accessible information support for family entrepreneurship;
- introduction into the practice of recording the activities of family enterprises according to the range of indicators adopted in statistical reports on small businesses.

A significant part of the listed activities, developed on the basis of scientific research, studying the experience of foreign countries, the characteristics of domestic family businesses, and public opinions on ways to improve them, are already being implemented and are beginning to bring results.

As of May 1, 2022, 5,130 family enterprises were registered in the Tashkent region, of which 4,659 are operating.

In total, in 2022, 782 family enterprises operated in the Urtachirchik district, of which 215 enterprises are located in the city of Nurafshan, 567 in the district (Table 2).

The 30% of family enterprises in the district work in industry, 21% in agriculture, the rest work in the service and transport sectors.

**Table 2**

**Number of operating family businesses, by regions of Tashkent region**

<b>№</b>	<b>Districts and cities</b>	<b>Number of family businesses</b>
<b>1</b>	Nurafshon city	<b>215</b>
<b>2</b>	Almalyk city	<b>89</b>
<b>3</b>	Angren city	<b>129</b>
<b>4</b>	Bekabad city	<b>57</b>
<b>5</b>	Akhangaran city	<b>82</b>
<b>6</b>	Chirchik city	<b>56</b>
<b>7</b>	Yangiyul city	<b>99</b>
<b>8</b>	Akkurgan district	<b>197</b>
<b>9</b>	Akhangaran district	<b>90</b>
<b>10</b>	Bekabad district	<b>71</b>

<b>11</b>	Bostanlyk district	<b>431</b>
<b>12</b>	Buka district	<b>73</b>
<b>13</b>	Kuyichirchik district	<b>58</b>
<b>14</b>	Zangiata district	<b>421</b>
<b>15</b>	Yukorichirchik district	<b>393</b>
<b>16</b>	Kibray district	<b>325</b>
<b>17</b>	Parkent district	<b>396</b>
<b>18</b>	Pskent district	<b>48</b>
<b>19</b>	Urtachirchik district	<b>567</b>
<b>20</b>	Chinaz district	<b>126</b>
<b>21</b>	Yangiyul district	<b>324</b>
<b>22</b>	Tashkent district	<b>412</b>

In conclusion, it should be emphasized that growth is observed in all sectors of the economy of the Urtachirchik region. In particular, it is clear that the role of family businesses is increasing every year.

The growth of the role of family businesses is especially great as a result of reforms in the agricultural sector and the service sector, which occupies a large place in the economy of the region. As a result, the region's agriculture moved towards intensive development. Despite the achievements in the region, there are also problems. The examples of this are land shortage and investment, declining productivity, etc.

The current state of development of the service network, which occupies an extremely important place in a free market economy, cannot be called satisfactory. Such types of services as tourism, bank loans, insurance, auditing, and consulting do not have good indicators.

Based on the above conclusions, it can be stated that with the effective use of the geographical location, the economic potential and other opportunities of the region, further development of the region's economy is possible by attracting foreign and domestic investment.

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