

THE ESSENCE OF SELF-EMPLOYMENT IN THE NATIONAL ECONOMY OF UZBEKISTAN

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Abstract:

This article discusses the role and importance of the self-employment in the national economy of Uzbekistan and some proposals have been made for further improvements in this sector based on the conducted researches.

Key words: self-employment, economy, development, national economy, entrepreneurship

A huge attention has been paid to the self-employment as it has positive impact on the growth of national economy. Clearly, the President of the Republic of Uzbekistan On May 18, 2020 year [1], the President signed a decree on subsequent measures to support the population and entrepreneurships. Based on that decree a new system has been introduced to create decent conditions for self-employed citizens.

In recent years, economists have paid special attention to observe the conceptual relationship between entrepreneurship and economic development. Previous studies [2-3] measured the rate of entrepreneurship by the rate of self-employment. Entrepreneurs as self-employed individuals have positive impacts on economic growth in industrialized countries. Creative and qualified self-employed individuals contribute to economic growth by inventing new products, production processes, distribution methods, and employing other people. However, the increase in employment is uncertain because entrepreneurial skills are assumed to be risky and self-employed workers can learn their skills gradually after starting their businesses [4].

Self-employment helps to start new firms, creates jobs, promotes inventions and innovations, and ultimately brings increased well being to society. Despite the unclear benefits of small businesses, governments provide subsidies or loans to entrepreneurs to start new small businesses and retain existing business activities. Researchers are interested in self-

employment, if it can provide jobs to unemployed population and also for those who face job discrimination. Previous studies have shown that there is a strong relationship between self-employment and economic growth. In other words, an increase in the number of self-employed leads to economic development, specifically in rural areas. Blanchflower [5] analyzed a number of. They concluded that low barriers to the birth and death of self-employed/firms were necessary for the equilibrium to promote economic development.

Several researches have been carried to identify the significance and role of self-employment in the national economy of the Republic of Uzbekistan. Based on the results of the studies it can be said that self-employment is a new format for employment of citizens. Allows you to legally work for yourself and accumulate work experience. For the convenience of registration, individuals can use the Soliq mobile application, where a self-employed person's personal account is created. Also, remote registration is available on the Portal of electronic government services of tax authorities. Social tax (the minimum amount for 2020 is 111,500 soums)[6], which is paid by self-employed citizens, is sent to the off-budget Pension Fund for calculating pensions and seniority. Additionally, the next stage is the choice of activity. Self-employed persons, according to the law, can engage in any (not necessarily one) of the available 67 types of activities.

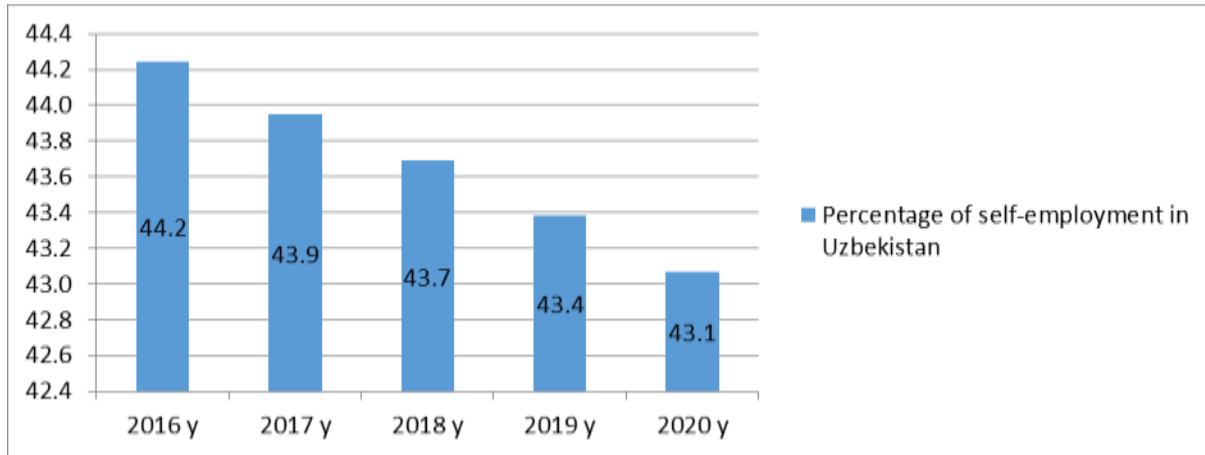
According to the press service of the State Tax Committee[1], as of 18 August, the number of self-employed persons in Uzbekistan increased to 264,336 people. Based on the official statistics the sphere of personal services, which includes hairdressing, manicure, cosmetology, pedicure, washing and ironing at home, making keys, sewing shoes, repairing and painting clothes and others, remains the most in demand among the population - 74,229 self-employed persons, wooden architecture, plumbing, electrical installation, collection of waste paper, plastic, scrap metal and other types of industrial services are of interest to 45 621 self-employed and other ICT services are preferred by 4,179 self-employed persons and regional figures can be seen in the following table[6]:

	Regions	Number of self-employed people
1	Samarkand	36 610
2	Tashkent city	29 854
3	Namangan	27 463
4	Ferghana	22 836
5	Bukhara	22 832
6	Andijan	22 445
7	Kashkadarya	18 452
8	Tashkent	17 319
9	Surkhandarya	16 053
10	Khorezm	12 386
11	Republic of Karakalpakstan	11 937
12	Jizzakh	9 699
13	Syrdarya	8 633
14	Navoi	7 817

It is clear from the above given table that self-employment is developed mostly in Samarkand, Tashkent city and Namangan regions.

Additionally, the percentage self-employment of total employment was 43% in 2020 in Uzbekistan and showed slight decrease compared to the previous years, according to the World Bank collection of development indicators, compiled from officially recognized sources.

Percentage of self-employment



In conclusion it can be said that self-employment is one of the significance drivers of the development of national economy and it can help to the Republic to decrease the rate of poverty in both rural and urban areas. However, there are some pints to take in to consideration for further improvements in this sphere and these results suggest that policy and educational programs directed at improving the productivity and earnings of the self-employed could have high payoffs in terms of local economic growth and opportunity.

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