



The role of family entrepreneurs in society development

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Abstract: The article reveals the family business role in the society development.

The article highlights the role of family business in improving family well-being, living standards and life quality, the role of family members in employment, the importance of increasing tax revenues to the state, reducing poverty and creating many new jobs based on the self-employment principle which is one of the most pressing issues today.

Keywords: family, family business, welfare, quality of life, standard of living, self-employment, family economy, production, service.

Introduction

The digital economy formation in the modernization, diversification and introduction of innovative factors has led to a radical change in the household income and related conditions. These changes are reflected in the following: a new economic category has entered our economic and social life - the labor value category; the place where labor is sold on the basis of supply and demand - the labor market has emerged; absolute and relative unemployment occurs as a result of changes in labor supply and demand; gradually, family members and the population are moving to self-employment principle based on the entrepreneurship development; new sources of family income have emerged - income from the property and entrepreneurial activities use; whereas before the income from the

property use consisted only of rents, now such types of income as dividends, interest, investment income have entered.

These situations not only ensure a certain stability level in society, but also cause some problems.

Underlying these problems is the household income stratification, unemployment and the resulting low-income, poor families emergence. The main way to solve these problems, in our opinion, is first of all absorb the need to increase the population social activity, the transition to self-employment principle and other necessary benefits, secondly, the introduction of a material incentives mechanism for any people activity, new methods development of incentives. However, to ensure the legal basis for these measures requires a decision at the national level, at the government level and the Legislative chamber of Oliy Majlis.

At present, ways to increase the family investments efficiency should also be developed. These include: extending the project life; increase (decrease) the dividend project rate; such as increasing cash flow. But even these issues have not been adequately studied, in line with family farming.

Even during the transition to a digital economy, inflation is still high. With this in mind, it will also be necessary to develop methodological aspects for the household property assessment and analysis and income in the inflation context. Using the nominal and real household income rates, the total return rate on investment is determined. This made it possible to determine the household investment value in terms of inflation after one year and to determine its impact on household well-being.

There is a significant lack of data on the family economy study, its impact on welfare. Because the research conducted by the State statistics committee does not completely solve this problem. Because of this, it can only be done and collected using sociological research. To do this, it is advisable to develop questionnaires. In our opinion, the following indicators should be included in the questionnaire. The survey can consist of three parts:

1. General indicators of the family.
2. The structure of family income.
3. The structure of family expenses.

Several indicators are expressed in each section. In our opinion, the data collected on these indicators will be a sufficient basis for drawing scientific conclusions. Because, on the basis of these

indicators, family income and expenses can be classified by such characteristics as the total families, employed number, the unemployed share. A number of new relative indicators can also be identified from this data. All this serves as a basis for drawing appropriate conclusions and making management decisions.

If our recommendations on the data collection on family income and expenditures are implemented in practice, we believe that it will be possible to make appropriate management decisions to increase the income and optimize the families expenditures in our country. These indicators are crucial in the digital economy. Because they have to take into account their capabilities to ensure the well-being of every family. This is done using information and communication technologies.

The digital economy formation requires a family entrepreneur to be very knowledgeable and intelligent, not only in entrepreneurship, but also in economic management. The comprehensive economic knowledge of the entrepreneur will bring more income to the household income, and most importantly, will increase the property even more. More importantly, the property size increases through the property use. This will be the basis for the family economy enrichment, the entire population, the state, and the strengthening its economic power.

At this point, I would like to say a few words about family business. Because the family welfare and business concepts in the family are often seen as the same concepts. In this regard, we would like to share our views without dwelling on the theoretical analysis of ideas in the economic literature. Based on the entrepreneurship concept, family business should be evaluated as a profitable activity. If it is based on this theory, it is expedient to define it as follows. **A family business is a set of all sold activities related to production, services and work, which bring income (profit) to the family by owning a certain property.** It does not matter whose property it is based on, it is considered only in terms of bringing income (profit) to the family.

The importance of this process is not limited to the issues under consideration. Family or a household running, running a family business not only ensures the family well-being, but also provides jobs for the population by creating new jobs, and enriches the state through taxes levied on them, achieving prosperity in our society. Products produced in the family not only meet their needs, but also fill the country's market with products (works, services). Most importantly, its social and spiritual significance is also incomparable, as it frees the masses from the dependency spirit, absorbs and ensures

initiative and aspiration. This will ultimately increase the society and the public activity, accelerate the democratic principles formation process of the digital economy, as well as lead to the poverty reduction. In short, family business, along with improving the welfare, living standards and population life quality, also leads to our state enrichment, the unemployment reduction and other important factors. The interrelationships of these are shown in the following figure (Figure 1).

As can be seen from the picture, the place and role of family business in society is huge. It is important that family members engaged in family business have the opportunity to work voluntarily, free from "dependence" on others. This in turn leads to the improvement of everyone. Through the family business development, first of all, it creates an opportunity to increase family well-being, living standards and life quality. Because families engaged in family business will have some knowledge in this area, the desire for life will be formed, family members will get rid of unemployment scourge. All this brings a certain amount of material wealth to the family and ensures its well-being, as well as increases the intellectual potential of family members, thereby increasing the human capital quality and responsibility to society.

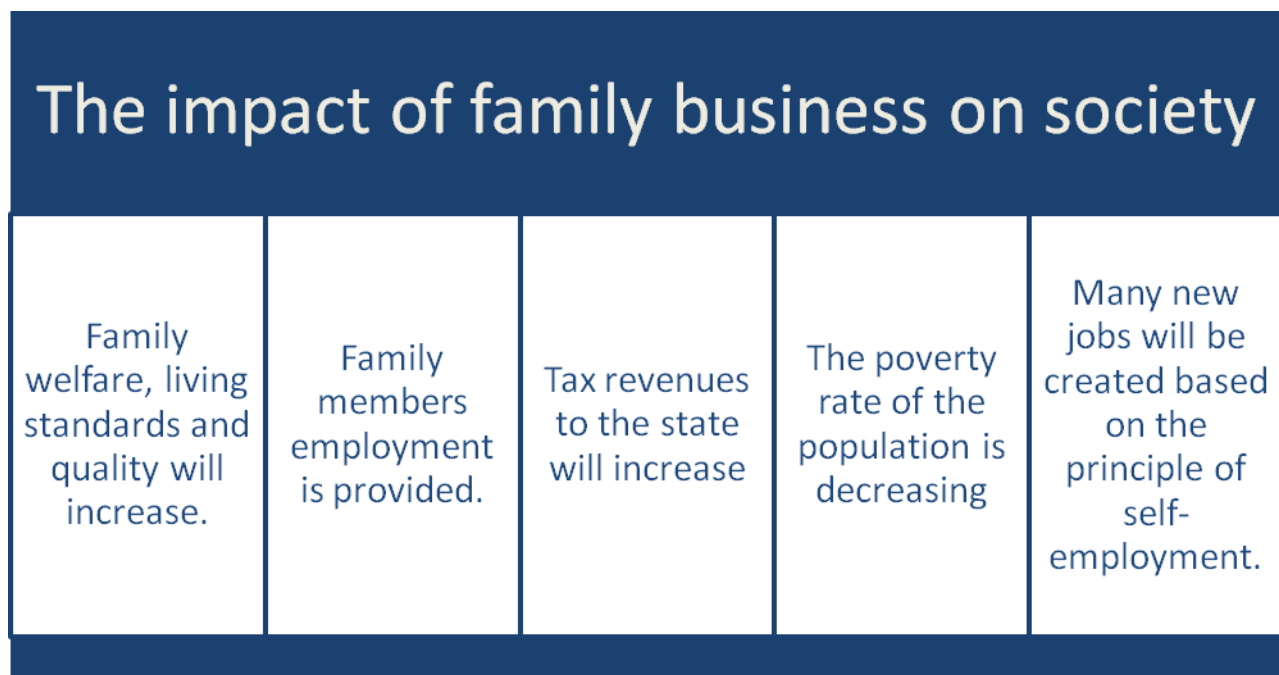


Figure 1. The role of family business in society

Secondly, the family employment members is ensured. If the family is engaged in production, they also provide services such as selling and storing their products. In this case, he has to master not only the production secrets, but also such disciplines as marketing, management. This means that the intellectual potential of family members increases involuntarily.

Thirdly, tax revenue to the state will increase. Every family engaged in entrepreneurship pays a certain tax amount on their income (profit). In this way, poor families become dependent on the state and not only wait for help from it, but also supplement the state budget with entrepreneurship.

Fourthly, the family business development will reduce the poverty rate. First of all, entrepreneurial families will be able to provide themselves with a certain amount of material benefits. At the same time, in exchange for expanding the work scope, it will be possible to provide employment to others. In this way, it creates opportunities to lift the population out of poverty. There are several examples for this today.

Fifthly, many new jobs will be created based on the self-employment principle. If family members are unemployed, they will not have a temporary opportunity to work in government offices. Because all states are busy. Similarly, entrepreneurs will continue to work with relevant states until they create new jobs. If they wait for a job vacancy in them, the unemployed person will remain unemployed. In such conditions, great opportunities have been created in our country to operate on the self-employment principle.

We raised the issue of creating a self-employed stratum from such a population stratum ¹.

In line with this recommendation, Resolution of the Cabinet of Ministers of the Republic of Uzbekistan on July 9, 2019 №566 "On the procedure for issuing temporary employment certificates to self-employed citizens" aimed at ensuring the implementation the resolution of the President of the Republic of Uzbekistan on March 5, 2019, PR-№4227 "On the state order on employment and new jobs creation in 2019". The decision was aimed at regulating the labor activities of self-employed persons at the expense of self-employment. Accordingly, from September 1, 2019, a procedure will be introduced to provide self-employed citizens with temporary labor certificates, the right to register their work experience and provides for the right to use incentive benefits.

¹Pardaev M.Q., Oltaev Sh., Pardaeva O.M., Tagirova N.B. Entrepreneurship in every family is an opportunity for self-employment. Practical advice. - Samarkand, SamISI, 2018. - 240 pages.

Currently, for 1st January, 2020, 33.90 million people live in Uzbekistan. The average number of family members in our country is 5.1 people. In that case, according to our estimates, the families number in the country is more than 6.4 million. If at least one entrepreneur from each family grows, another 6.6 million additional jobs will be created in the country. This is one of the important factors in ensuring the consumer market prosperity of our country. If each entrepreneur brings an average 10,000,000 sums a year to his family, it will bring an additional 66,000.0 million soums for the family welfare in the country. On average, 30% of them go to the state (local) budget as taxes and other payments, which creates an additional income 19,800.0 million sums.

It should be noted that the ultimate goal of the ongoing reforms in our country is to create decent living conditions for our people and every family. What a complex and responsible task this is, of course. It is not enough to take practical measures to achieve such a goal. In-depth research in this area also requires the science-based recommendations development to ensure the well-being of every family.

However, the modernization, diversification and introduction of innovative factors in the economy, the digital economy formation require a new approach to this problem. Due to this, at present, a great deal of attention is paid to the economic problem of the family farm. This field has been incorporated into the economic science theory and it is now considered as a microeconomics subject ³.

Thus, we see that the family economy transformation into a microeconomic entity has not only economic but also significant social and spiritual significance, it can accelerate the digital economy formation in the country, economic modernization, diversification and introduction of innovation factors and society modernization.

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