

COMPREHENSIVE ANALYSIS OF THE ROLE OF BUSINESS AND ENTREPRENEURSHIP IN THE POLICY OF POVERTY REDUCTION

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Abstract: *The role of business and entrepreneurship in the policy of poverty reduction is multifaceted and crucial for sustainable development. In this article a comprehensive analysis of their roles are presented*

Key words: *employment opportunities, entrepreneurs, industry growth, Supply Chain and Ancillary Services, startups*

INTRODUCTION

Today's society poverty has become one of the most problematic issues all over the world. Therefore, so many countries are nowadays trying to minimize the poverty level. Reduction in poverty is critically important for several reasons: [1]

Economic growth: When people are lifted out of poverty, they become consumers and contributors to the economy, which can lead to increased economic growth.

Social stability: Poverty reduction can help to reduce social inequalities and create more stable and cohesive communities, reducing the potential for social unrest and conflict.

Health and well-being: Poverty is often linked to poor health outcomes. By reducing poverty, access to healthcare, nutrition, and sanitation can improve, leading to better overall health and well-being.

Education: Poverty reduction can increase access to education, which is a key to breaking the cycle of poverty and improving long-term prospects for individuals and communities.

Human rights: Poverty reduction is closely tied to the promotion of human rights, dignity, and equality for all individuals.

Global development: Reduction in poverty is a key component of global development goals, such as the United Nations Sustainable Development Goals, contributing to a more equitable and sustainable world.

The role of business and entrepreneurship in the policy of poverty reduction is multifaceted and crucial for sustainable development. Here is a comprehensive analysis of their roles:

1. **Job Creation:** Business and entrepreneurship create employment opportunities, which are essential for lifting people out of poverty. By providing jobs, businesses contribute to economic growth and enable individuals to earn a living and improve their standard of living.

Coming to the role of entrepreneurship in job creation, entrepreneurship plays a critical role in job creation, particularly in the following ways:

New Business Formation: Entrepreneurs start new businesses, which often require additional labor to operate. As these businesses grow, they create job opportunities for individuals seeking employment. **Industry Growth:** Entrepreneurial ventures can lead to the expansion of existing industries or the creation of entirely new ones. This growth generates demand for skilled and unskilled labor, thus contributing to job creation. **Innovation and Technology:** Entrepreneurs often introduce innovative products, services, and processes that can disrupt traditional industries. This innovation can lead to the creation of new job roles and skill requirements, thus expanding the employment landscape. **Small Business Development:** Many entrepreneurial ventures are small businesses that play a significant role in job creation. Small and medium-sized enterprises (SMEs) are often major contributors to employment in both developed and developing economies. **Supply Chain and Ancillary Services:** Entrepreneurial activities can stimulate the growth of supply chain businesses and ancillary services, creating indirect job opportunities in areas such as logistics, marketing, and support services. **Regional Development:** Entrepreneurship can be a catalyst for regional economic development, particularly in areas where traditional industries may be declining. New businesses can revitalize local economies and create employment opportunities for residents. **Social Impact Enterprises:** Social entrepreneurship focuses on addressing social or environmental issues while creating sustainable employment opportunities for marginalized communities or individuals facing barriers to traditional employment. [2]

When it comes to the role of business in job creation, we can say that businesses play a pivotal role in job creation through various mechanisms and activities:

Direct Employment: Businesses directly create jobs by hiring employees to carry out various functions within the organization. This includes roles such as production, sales, marketing, administration, finance, and management. **Indirect Employment:** Business activities generate demand for goods and services, which in turn creates jobs in other sectors of the economy. For example, a manufacturing company's demand for raw materials and components can lead to job creation in the supply chain. **Small and Medium-sized Enterprises (SMEs):** SMEs, including startups and small businesses, are major contributors to job creation. These enterprises often have a significant impact on local employment, especially in smaller communities. **Innovation and Technology:** Businesses drive innovation and technological advancement, leading to the creation of new industries and the expansion of existing ones. This, in turn, creates demand for specialized skills and expertise, resulting in job opportunities. **Entrepreneurship and Startups:** New businesses and startups, often founded by entrepreneurs, are instrumental in creating jobs as they grow and expand their operations. These ventures bring new products, services, and business models to the market, stimulating economic activity and employment. **Corporate Social Responsibility (CSR):** Many businesses engage in CSR initiatives that directly or

indirectly contribute to job creation. This can include investments in community development projects, education and training programs, and support for local employment opportunities. Global Supply Chains: Businesses operating within global supply chains create employment opportunities both domestically and internationally. They engage with suppliers, manufacturers, distributors, and service providers across borders, contributing to job creation on a global scale. Economic Development and Investment: Businesses drive economic development by investing in new projects, expanding operations, and entering new markets. These activities often lead to job creation as companies seek to meet increased demand or pursue growth opportunities. [3]

2. Income Generation: Through entrepreneurship, individuals can create their own businesses and generate income for themselves and their communities. This not only reduces poverty at the individual level but also contributes to the overall economic development of a region. But here some information about income generation should be noted. Income generation refers to the activities and processes through which individuals, households, or communities earn money or generate revenue. This can include various forms of employment, entrepreneurship, investment, and other economic activities. Income generation is essential for meeting basic needs, improving living standards, and achieving financial stability. It also plays a crucial role in poverty reduction and economic development. Efforts to support income generation often involve initiatives aimed at improving access to education, skills training, financial services, and market opportunities. These efforts can help individuals and communities build sustainable livelihoods and create pathways out of poverty. Additionally, policies that promote entrepreneurship, job creation, and economic empowerment can contribute to overall economic growth and development. Efforts to support income generation often involve initiatives aimed at improving access to education, skills training, financial services, and market opportunities. These efforts can help individuals and communities build sustainable livelihoods and create pathways out of poverty. Additionally, policies that promote entrepreneurship, job creation, and economic empowerment can contribute to overall economic growth and development. Innovation and technology play a crucial role in poverty reduction by creating new opportunities for economic growth, improving access to essential services, and empowering individuals and communities. Efforts to harness innovation and technology for poverty reduction often involve policies and initiatives aimed at promoting research and development, expanding access to digital infrastructure, fostering technological entrepreneurship, and ensuring that the benefits of innovation are accessible to all segments of society. By leveraging the potential of innovation and technology, it is possible to address the root causes of poverty and create sustainable pathways to prosperity for individuals and communities around the world. [4]

3. Innovation and Technology: Businesses and entrepreneurs drive innovation and technological advancements, which can lead to increased productivity and efficiency in various sectors. This, in turn, can create new opportunities for economic growth and

poverty reduction. Innovation and technology play a crucial role in poverty reduction by creating new opportunities for economic growth, improving access to essential services, and empowering individuals and communities. Here are some ways in which innovation and technology contribute to poverty reduction: [5]

- **Economic Growth:** Innovation and technology can drive economic growth by creating new industries, increasing productivity, and fostering entrepreneurship. This can lead to job creation and improved income opportunities for individuals, ultimately contributing to poverty reduction.

- **Access to Essential Services:** Technological advancements, such as mobile banking, telemedicine, and e-learning platforms, can improve access to essential services like healthcare, education, and financial services in remote or underserved areas, helping to alleviate poverty and improve quality of life.

- **Agricultural Productivity:** Innovations in agricultural technology, such as precision farming, climate-resilient crops, and market information systems, can increase agricultural productivity, improve food security, and boost the incomes of smallholder farmers, many of whom live in poverty.

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4. **Access to Goods and Services:** Businesses play a crucial role in providing essential goods and services to communities, including healthcare, education, and infrastructure. By addressing the needs of the population, businesses can contribute to improving the quality of life and reducing poverty.

5. **Investment and Economic Development:** Entrepreneurship attracts investment and promotes economic development, leading to increased opportunities for employment and income generation. This can have a positive impact on poverty reduction by creating a more robust and diversified economy.

6. **Social Impact:** Many businesses and entrepreneurs engage in corporate social responsibility initiatives that directly address poverty-related issues. This can include initiatives such as providing vocational training, supporting local community development projects, or investing in sustainable development programs.

7. **Policy Advocacy:** Businesses can also play a role in advocating for policies that support poverty reduction, such as promoting inclusive economic growth, advocating for fair labor practices, and supporting social welfare programs.

In conclusion, the role of business and entrepreneurship in poverty reduction is significant and multifaceted. By creating jobs, generating income, driving innovation,

providing essential goods and services, and contributing to economic development, businesses and entrepreneurs can play a crucial role in lifting people out of poverty and creating sustainable, long-term solutions for economic development. Entrepreneurship is a powerful driver of job creation, with its ability to foster innovation, industry growth, and the development of small businesses. By nurturing an environment conducive to entrepreneurial activity, policymakers and stakeholders can leverage entrepreneurship as a key strategy for addressing unemployment and fostering economic growth. Businesses serve as key engines of job creation through their direct employment practices, indirect economic impact, support for entrepreneurship, innovation, and contributions to economic development. Policymakers, business leaders, and other stakeholders often collaborate to create an environment conducive to business growth and job creation. Reducing poverty is crucial for creating a more prosperous, fair, and sustainable society, with positive impacts on both individuals and the global community.

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