



Advantages and disadvantages of the institution of self-employment

Muslima Diyorova,

Tashkent State Law University
Master's degree student

**Supervisor: Karakhodjaeva
D.M**

Doctor of Legal Sciences,
Professor of the Department of "Civil Law" of the Tashkent State
Law University

ABSTRACT

the article discusses the advantages and disadvantages of the institution of self-employment under the legislation of the Republic of Uzbekistan, identifies the advantages of self-employment. Five reasons for motivating self-employment are indicated and analyzed. The experience of legal regulation of the order of self-employment in the legal order of foreign countries is considered.

Keywords:

legislation, Republic of Uzbekistan, self-employment, motivation, personal satisfaction, independence, profit, job security and personal status.

Advantages of self-employment

Self-employment is often motivated by five reasons: personal satisfaction, independence, profit, job security, and personal status.

Personal satisfaction. For some people, the main reward associated with work is personal satisfaction. Personal satisfaction is expressed in having the opportunity to create what one wants with one's life. Self-employment gives you the opportunity to spend every working day doing something you enjoy. For example, if you like to take pictures, you can organize your own private studio. Every time a client says they are satisfied with their photo portrait, you feel a sense of personal satisfaction.

You can also get satisfaction from helping the community where you live. Self-employed people deliver goods to the residents of the neighborhood. provides services and provides them with jobs. They are. also. they buy goods

and services of other local enterprises, borrow money from local banks, pay taxes.

Independence. Another advantage of self-employment is independence. Independence is the absence of control by others. You can use your knowledge, skills and abilities in any way you want. Compared to other working people, self-employed people have more freedom. They themselves have the necessary powers and can make decisions without the prior approval of others.

Benefit. When people start a new business, one of the main rewards they aim for is profit. Profit is the income that remains after paying all expenses. The profit remains with the owner of the enterprise. By being self-employed, you could manage your own income. In many cases, more time and more effort into a business translates into shorter returns. This is rarely the case when you work for someone else.

Employment is guaranteed. Many businesses are run by people who want job security, which cannot be achieved with hired

labor. The guarantee of employment gives you the opportunity to not depend on others in terms of having a job and paying an income. Self-employed people cannot be fired, fired from an enterprise, or forced to leave work when they reach a certain age.

Position. Status is a term used to describe a person's social status or position in society. Self-employed people gain attention and recognition through the connections they make with consumers and the media coverage of their activities. As a result, they can enjoy a higher status than most other workers. Pride of ownership is inextricably linked with social status; many people are proud to see their name on buildings, cars, stationery and advertising.

Flexibility. Depending on their capabilities, self-employed people can start any type and size of business. Self-employment enables a person to be an employer and a leader rather than an employee and a follower.

Restrictions on self-employment

You should not only be aware of the advantages that come from self-employment, but also be aware of the unpleasant things associated with it: the possibility of losing the invested capital. unreliable or low income, time consuming and having to do boring and unpleasant work.

The possibility of losing the invested capital. Self-employment comes with the risk of losing your investment. The term "investment capital" refers to the costs incurred by an entrepreneur when establishing his private enterprise. Usually, the higher the risk in a business, the greater the potential for profit. If the enterprise is developing well, the profit can be large. If the venture fails, the capital invested in it may be lost. an entrepreneur has every opportunity to lose part of his life, personal or family savings for nothing. It can take years to repay banks, suppliers and individuals who loaned money to set up a private enterprise.

Unreliable or low income. Another disadvantage of owning a private enterprise is the possibility of unreliable or low income. Unlike salary for salaried employees, the amount of benefits can vary from month to month. This is even true for a fledgling

enterprise. But even when income comes in, it may not be enough to meet personal and family needs. This situation is often observed during the first six to twelve months of operation.

Time consuming. Entrepreneurs don't limit their working time to forty hours a week, they don't stick their card in the machine that shows the time of arrival and departure. Many self-employed entrepreneurs work fourteen hours a day or more. they work six or seventy days a week. In most cases, the business owner comes to work first thing in the morning and leaves work last thing in the evening. The working hours of the enterprise are not determined by the discretion of the owner, but from the point of view of convenience for consumers. For example, most stores operate from 800 to 2100. Some entrepreneurs believe that it is impossible to leave their business unattended for more than one or two days in a row.

Boring work: Running a business can involve the necessity of doing things that you absolutely do not want to do, but have to do.

Risks. If you are willing to take reasonable risks, you have every chance of success. Reasonable risk-taking allows you to anticipate opportunities for failure or success. A business with very low risk will bring low returns and limit your ideas and their implementation. **Time.** Starting your own business is serious business. During the first few years, work will probably take up most of your time. Business seriousness and self-interest on the part of the business owner can then change drastically. In many sustainable small business enterprises, day-to-day responsibilities can be placed on the shoulders of the manager. You need to determine how much you want to be personally involved in the business in the future and how hard you will work in the future (say, 6 years from now). Maybe you want to be part or all of your business, or you want to branch out completely.

Communication with people Do you like working with people or do you prefer to work alone? Or do you stop somewhere near them? Three types of interpersonal communication (communication) in small business - with consumers. there is communication with

employees and with suppliers. Many small business owners do not object to communication between employees and suppliers. because the owner is in a more advantageous position compared to them. However, the owner-consumer relationship is highly dependent on the type of business you run. For example, being aggressive, even aggressive, is important when selling real estate. If you don't like selling individually. Do not run a business where this is required. In many other types of business, the approach to selling is more impersonal.

Success in retail is often about good merchandise rather than personal contact with the consumer. depends on reasonable prices and lucky advertising, Post. Internet or e-mail ordering is the last example of impersonal sales, where you never see the customer (customer orders. owner ships).

So now we will study the advantages and disadvantages of self-employment through the US legislation.

Advantages

Perhaps the main benefit of self-employment is freedom: to do what you like, to set your own hours, to decide what work to do and what not to do. If you work from home, you can save money on commuting, as well as the wardrobe required by the office, and get a tax break for using your home for business purposes (more on that below).

If you're building your own business, you're in complete control of how you do it, who (if anyone) you hire, and how and to whom you sell your products. You are not limited by salary on how much you can earn. Your problem-solving creativity won't be stifled by a boss with limited vision. Finally, there is a sense of pride and accomplishment in creating a successful enterprise that is your domain and yours alone.

Disadvantages

The biggest disadvantage of self-employment is the uncertainty of risk. You may not be limited to what you can earn, but you're not guaranteed a certain salary either. If you have a bad month or two, you should be able to absorb the losses. You must cover all business expenses yourself; there is no twist in the expense report for reimbursement. If you are

engaged in your own business, you will lose the friendship and support of your colleagues.

There are also financial disadvantages. In addition to half-pay, you must pay half of Social Security and Medicare taxes to the employer. You cannot take advantage of employer-provided health plans and must finance your own health insurance instead. You don't have access to employer-sponsored retirement savings plans like a 401(k), and you don't get the financial matching that often comes with employer contributions to such retirement plans.

Current changes to the national legislation on self-employment

If we talk about this topic, today the head of our state is signing a number of new decisions on the field of self-employment, and a number of tasks are being given to the organizations responsible for the development of this field. In particular, on March 31, 2022, a video selector meeting was held under the chairmanship of the head of our state "On the issues of ensuring macroeconomic stability, developing regions and industries based on the complex situation in the world economy, and improving the well-being of the population." In this meeting of video selectors, it was planned to introduce a number of innovations related to the field of self-employment. In particular, it was mentioned by the President that today 67 types of activity have been transferred to the form of self-employment and that it is possible to increase this type of activity to 20 and thereby provide employment for an additional 150 thousand people. .

In addition, the governors of the region were tasked with providing official employment for an additional 100,000 residents at the expense of attracting citizens who returned from labor migration to construction, providing them with necessary equipment.

Among the innovations introduced in this field was the inclusion of "Nursing work" in the list of self-employed work activities. According to the decree of the President of the Republic of Uzbekistan "On the creation of necessary conditions for the consistent continuation of reforms in the health care system and the development of the capacity of

medical workers" dated May 5, 2021 No. PF-6221 "Strengthening the health of the population and in order to strengthen social protection, from July 1, 2021, secondary medical specialists were allowed to independently engage in "nursing work" on the basis of self-employment.

In addition to the established procedure, the following requirements are established for self-employed nursing workers:

nursing activities should be carried out only by persons with a secondary medical or higher education in the field of nursing registered in the relevant information system of the Ministry of Health from January 1, 2022;

that a person engaged in nursing work improves his qualifications within the specified periods.

The Cabinet of Ministers approves the procedure for self-employed nursing by medical personnel."

This innovation in the legislation contributed enough to ensure the employment of the population. This fact can be confirmed by the Ministry of Health. In particular, the Ministry of Health said in its statement, "Today, in our country, special emphasis is placed on increasing the reputation and status of mid-level medical workers - nurses and paramedics. In particular, more than 20,000 of our boys and girls who graduate from 47 technical schools named after Ibn Sina every year become professionals in several fields of medicine. "permission is being granted" came back. Based on this, we can conclude that more than 20,000 young men and women can provide themselves with work as a result of the inclusion of "nursing work" in the self-employment activity.

Another innovation in this field was that labor migrants were equated with self-employed persons.

According to the decision of the President of the Republic of Uzbekistan dated September 15, 2020 No. PQ-4829 "On measures to introduce a system of safe, orderly and legal labor migration", starting from January 1, 2021, the path of labor migration with the implementation of temporary labor activities abroad was equated to the types of activities (jobs, services) that self-employed persons can

engage in, and payment of taxes established for self-employed persons and pension the procedure for calculating the amount began to be applied.

Self-employed persons can voluntarily pay social tax to the Pension Fund in order to be considered a pension and have a working experience, which is at least 50% of BHM for 2021 (111 thousand 500 sous m) defined. If a labor migrant wants to receive a pension in the future, it is enough to voluntarily pay a tax of 50% of the BHM to the pension fund.

If citizens who are temporarily working abroad do not feel the need for pension and work experience in Uzbekistan, then there is no need to pay social tax to the Pension Fund. As can be seen from the above legislative innovations, the equalization of labor migrants with self-employed persons is aimed at their social support.

In addition, in accordance with the decision of the President of the Republic of Uzbekistan "On additional measures for the further development of the fishing industry" PQ-83

From February 1, 2022, individuals are allowed to start fish farming in their own household as a self-employed person.

From February 1, 2022 to January 1, 2025, it launched the production of equipment and technologies (aerator, pool, autofeeder, UZV) and processing equipment necessary for the intensification of fishing, but 80% of its income profit tax for entities that receive more than 100% from the production of this equipment (except for interest from funds placed in commercial banks), land tax from legal entities, tax on the property of legal entities, and tax rates for using water resources 50 it was assumed that the privilege of reducing the percentage would be applied.

In addition, the rate of land tax and property tax was set at 50 percent for the owners of fish farming households.

From April 1, 2022 to January 1, 2025, funds from the Fund for Involvement of Residents in Entrepreneurship of the Agency for the Development of Neighborhood Work and Entrepreneurship to cover the costs of studying in training courses for individuals in the field of

fish farming in households It was also decided to allocate a one-time subsidy in the amount of not more than twice the amount of the basic calculation.

The President of the Republic of Uzbekistan has established cooperative fish farming for a period of one month until January 1, 2025. (excluding tax) an assignment was made to introduce the draft law to the Legislative Chamber of the Oliy Majlis of the Republic of Uzbekistan.

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