

DEVELOPMENT OF SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP IN UZBEKISTAN

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Abstract: The article examines the role of small business and private entrepreneurship in the development of Uzbekistan, its development trends across sectors.

Keywords: Small business and private small business, business and private entrepreneurship entities, small business support system, indicators of small business by type of economic activity, forms of regulation of small business development.

Today, entrepreneurial activity is not only a means of solving employment problems and ensuring a high standard of living, but at the same time it has become one of the most important factors in achieving macroeconomic stability. It is already clear to everyone that the formed macroeconomic stability is becoming more dependent on the effective performance of small and medium-sized businesses.

It is obvious that in 1995-2021 the development of small business and private entrepreneurship in Uzbekistan led to profound structural changes, manifested in the following:

- as a result of the expansion of production, additional jobs were created;
- the production of the necessary resources and consumer goods within the country was formed;
- in order to strengthen the export power of the country, the production of competitive products has been accelerated;
- in order to switch from the export of raw materials to the export of finished products, the processing of raw materials and the production of finished products were organized;
- increased production of goods replacing imported goods.
- Cultural ties are developing more in the field of small business and private entrepreneurship.
- in the structure of the population, the stratum of entrepreneurs is growing more.

Therefore, state regulation of the development of small and medium-sized businesses is of great importance in the formation of a market economy and the achievement of economic stability. The President of the Republic of Uzbekistan Sh.M. Mirziyoyev said about this: “during the pandemic, entrepreneurs, on an equal basis with the state, made a worthy contribution to the sustainable functioning of the economy. We must support entrepreneurs in every possible way. Ensuring their rights, especially the inviolability of private property, should become the main task of state bodies at all levels ”[2].

Of particular importance is the policy aimed at the development of small and medium-sized businesses in solving the specific demographic problems of our country. Small and medium-sized enterprises are of great importance in solving problems of employment of the population (Fig-1), creating conditions for obtaining additional profits, in general, their role in increasing the social efficiency of the economy is invaluable.

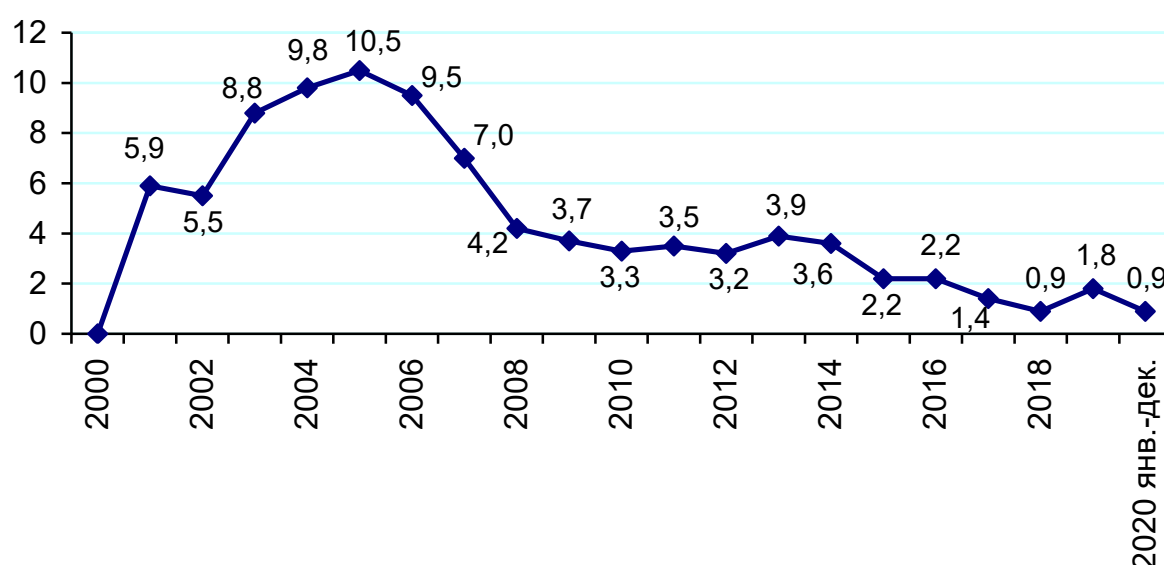


Fig. 2 Growth of employed in small business and private entrepreneurship (compared to the previous year in%)

Likewise, government policies aimed at developing small and private businesses are of paramount importance in shaping a market economy and achieving economic resilience during a pandemic. As the President said that: “We will continue to help our entrepreneurs who face a shortage of working capital in a pandemic. Until the end of next year, the benefits in the field of tourism, transport and public catering will be extended. I also propose to extend the deadline for paying taxes on land and property for another year for a total of 400 billion soums. This preference will be able to take advantage of 20 thousand entrepreneurs” [2]. Here we see the most favorable aspects of government regulation.

In fact, the need for administrative and legal regulation of the economy in Uzbekistan is caused by the following circumstances:

First, in the transition period, there is a lack of economic mechanisms for self-government, characteristic of a developed market economy. Market mechanisms that are emerging in the country cannot yet offer sufficient resistance to the traditions of the command-administrative system and the psychology of dependency.

Secondly, under the command-administrative system, the leading role in the economy belonged to the state, it is impossible to immediately abandon this role of the state without some preparation; this will undoubtedly have a negative impact on the conduct of economic activities, as a result of which the economic and social balance in society may be disturbed. The choice of this path of development by some politicians from the countries of the former socialist camp once again showed its riskiness.

Thirdly, based on the experience of developed countries, it became necessary to ensure the harmony of the development of market relations and to limit the state management of the economy.

The main problems of the modern stage of development of society are improving the conditions for the activity of private entrepreneurship, providing them with economic freedoms. The solution of these problems, on the one hand, requires the provision of independence to small and medium-sized businesses, an increase in their responsibility for the final results of their activities, and on the other hand, their protection from unnecessary interference from higher authorities and various inspection bodies.

Both theoretically and practically, if in a certain industry the number of economic entities is large enough and they are involved in economic interaction, then the competitive environment is well formed in this industry [5, C.174-183.]. In addition, competition occurs only in the market segment [4, P.14.]. However, in such spheres of the national economy as healthcare and social services, informatics and communications, transportation and storage, the number of small businesses is growing slowly. The reasons for the insufficiently rapid growth in the number of small businesses in such industries are as follows [3, p.51.]:

-Lack of qualified personnel in the field;
 -specific problems of introducing modern techniques and technologies into practice;
 -insufficient adaptation of some small business entities to the conditions of a market economy;
 -insufficient adherence to market principles, for example, lack of desire for innovation, underestimation of entrepreneurial risks, lack of experience in property management, etc.

In our opinion, measures are needed to further expand the competitive environment in small business and entrepreneurship. At the same time, along with the development of small business in all sectors of the economy, it seems appropriate to pay special attention to those areas where the number of small businesses is growing slowly.

The analysis shows that small businesses most often face difficulties in obtaining loans and in relations with the tax system. Unreasonable interference of local authorities is also observed. Until now, there are still problems associated with difficulties in the allocation of land plots, non-provision of empty buildings to entrepreneurs at zero cost, the presence of corruption (13.9%) [3, p.56].

However, when asked what types of sponsorship you are involved in, 177 respondents or 21.7 percent admitted that sponsorship in the form of hashar, requests, charity continues (Fig. 2).

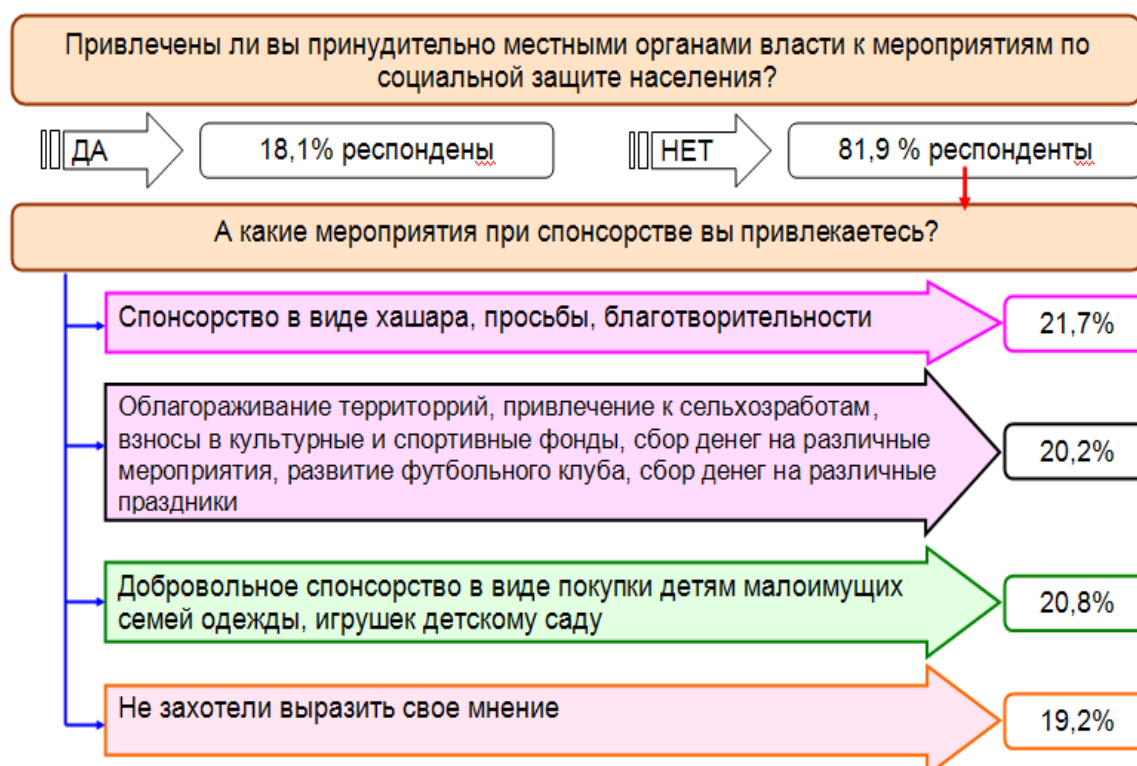


Fig. 2 The share of respondents' answers reflecting the non-coercion of entrepreneurs by local authorities to measures for social protection of the population, however, to attract them to sponsorship [3, p.56.]

In a number of areas, bureaucratic methods of state regulation of entrepreneurship remain. This, in turn, becomes an obstacle to the accelerated development of the competitiveness of local businesses, improving the business environment, introducing new technologies and innovations into business life, creating a favorable investment and business climate, and strengthening business confidence in the economic policy of the state [1]. The negative aspects we have listed are natural in the economies of countries that are making the transition to a market economy. But despite this, they must be resolutely eradicated, since such negative phenomena can ultimately lead to crime.

Based on the foregoing, it should be noted that problems in the state regulation of small business to a certain extent complicate the effective and active functioning of the business environment. Therefore, for the development of small business and improvement of the business environment, it is necessary to take the following serious measures:

-It is necessary to orient the functional tasks of executives of state governing bodies to the development of market relations;

-improvement of the market infrastructure and marketing development to improve the quality of their services, in this regard, pay special attention to personnel training;

- organization of constant monitoring of the business environment, including the publication of bulletins and press releases and their submission to the relevant government bodies and the general public.

“We all must deeply realize that supporting entrepreneurship is the most effective way to ensure the well-being of the population, which is the ultimate goal of building New Uzbekistan” [6].

In our opinion, in order to solve the problems of developing small business and private entrepreneurship and effectively resolve the problems of its macroeconomic regulation, it is necessary, first of all, to form a new economic thinking. It is necessary to expand the circle of economic knowledge of a number of senior officials of state institutions, as well as entrepreneurs and businessmen.

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