

# THE CURRENT STATE OF SMALL AND MEDIUM-SIZED PRODUCTION IN THE COUNTRIES THAT ARE MEMBERS OF THE COMMONWEALTH OF INDEPENDENT STATES

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## ABSTRACT

*This article presents thoughts and opinions about the current state of small and medium-sized production in the countries that are members of the Commonwealth of Independent States.*

**Keywords:** *Small business and private entrepreneurship, economic development, personnel training, international business*

Small and medium entrepreneurship has a great impact on increasing the economic potential and well-being of the citizens of the CIS member states. They create jobs, provide employment for the population, and contribute to raising the standard of living and social stability of society. The level of this field is constantly growing.

In order to encourage the activities of small and medium-sized businesses, special legal documents aimed at creating favorable conditions for the formation and operation of small and medium-sized enterprises are being consistently adopted in the CIS member states. Measures are being taken to simplify the licensing procedures, the list of activities to be licensed is being reduced, and state support measures are being developed.

For this purpose, recently, a number of complex measures aimed at the development of small and medium-sized enterprises (SMEs) have been implemented, and the following important results have been achieved.

The government of the Republic of Azerbaijan has implemented a number of measures to create a favorable tax environment for small and medium-sized businesses, improve access to credit, develop a cashless digital payment system, and encourage the production of public consumption and agricultural products. An agency for the development of small and medium-sized businesses was established, which includes

houses, centers and funds for the development of small and medium-sized and public-private partnerships. These structures are trained by more than 100 types of information, financial, legal and other services, as well as by more than 30 organizations. It provides the creation and management of a central base for supporting small and medium-sized business projects, access to financing, and public-private partnerships.

In the Republic of Armenia, the range of electronic services has been expanded, which significantly simplified the processes of licensing, registration and tax reporting of small and medium-sized enterprises, thereby reducing the number of bureaucratic procedures. A multifunctional center for the provision of services in the field of entrepreneurship was established. Reforms aimed at simplifying financing opportunities for small and medium-sized business entities and improving the relevant legal framework regulating bankruptcy and bailout processes have been initiated. As a result of the accession of the republic to the European registered exporter system, Armenian business entities have gained preferential rights for trade. A special certificate of origin of goods is no longer required when exporting food products, alcoholic beverages, fish products, textiles and mining and metallurgical products to Europe under the "Made in Armenia" brand.

Legislative mechanisms of self-regulation of entrepreneurship in the Republic of Belarus have been strengthened with minimal

state control, a notification procedure has been introduced for the implementation of the most common types of activities, general fire safety, sanitary-epidemiological, ecological, and veterinary requirements systematized and reduced (by 10 times), excessive administrative barriers in production, construction and transport activities, trade, catering, advertising and other sectors, a moratorium on increasing existing taxes until 2020 was announced. new ones. A network of organizations providing all-round information, consulting and property support services for entrepreneurship has been formed in the territories of the republic, which includes more than 100 small and medium business support centers and small business incubators.

In the Republic of Kazakhstan, financial and other types of support are provided to small and medium-sized businesses within the framework of the State program for support and development of entrepreneurship "Business Roadmap-2022". An important direction of the program is to strengthen the entrepreneurial potential. This direction includes a set of projects aimed at teaching business principles and providing consulting support to potential and aspiring entrepreneurs.

A number of reforms have been implemented in the Kyrgyz Republic to liberalize legislation and regulate business activities. Laws regulating licensing and permitting activities, competitive environment, guarantee funds, public-private partnerships and natural monopolies have been adopted. "On state support of small business", "On the procedure for checking small and medium-sized businesses", simplifying the procedures for their registration and liquidation, entrepreneurs Amendments were made to the laws on protection of rights, on guarantee funds, on optimization of the legal base. on business regulation, competition and natural monopolies.

In the Republic of Moldova, the regulatory reform made it possible to identify

and eliminate a number of duplicative or contradictory legal instruments. A "single window" system of registering enterprises with customs authorities was created. Measures have been taken to improve the tax administration, and a system of submitting tax returns in electronic form has been introduced.

In the Russian Federation, a platform of knowledge and services for business has been launched and is developing, it works on the principle of "online market" and implements the principle of "single window" in the digital space for providing services to small businesses. . On this platform, individuals are given the opportunity to register a business online and open an account with a sole participant (founder) as an individual entrepreneur or a limited liability company. According to the results of the SME Corporation's implementation of the SME lending incentive program together with the Bank of Russia, the volume of loans granted over the past 2 years has exceeded 129 billion rubles, the lending rate has been reduced to 9.9% annually. per annum for medium enterprises and 10.6% for small enterprises. Currently, 47 large systemic and regional banks are participating in the implementation of this Program.

In order to support industrial entrepreneurship in the Republic of Tajikistan, a moratorium on inspections was announced for 2021-2022 and a number of tax incentives were granted. The number of desk checks of small and medium-sized business entities was reduced by 2 times, the number of permits was significantly reduced, and a single state electronic register of permits was created. Presidential grants are allocated to the State Fund for Entrepreneurship Support, establishment and development of entrepreneurship, development of women's entrepreneurship.

By the decision of the President of the Republic of Uzbekistan dated October 5, 2017 "On additional measures to ensure the rapid

development of business activities, comprehensive protection of private property and qualitative improvement of the business environment" Comprehensive measure - the program of events was approved. , according to which, the implementation of measures in 5 priority directions, including legal regulation of business activities, reduction of inspections and prevention of unreasonable interference in business activities, further liberalization of the responsibility of business entities, improvement of the financial system, tax and customs activities, has begun. as well as improving conditions for doing business, increasing investment attractiveness and increasing the international rating of the republic.

Monitoring shows that current SME support systems are generally similar. The competent bodies responsible for the development of entrepreneurship in the CIS member states were determined. An important direction is the development of infrastructure for supporting small and medium-sized businesses. For this, the functions and scope of providing financial, informational, analytical and material and technical support through specially established organizations are expanding. Almost all member states of the CIS have created "one-stop" services for entrepreneurs, preferential tax regimes have been introduced for various categories of small and medium-sized enterprises, regulatory procedures have been simplified.

Existing development institutions provide state support, services, financial services and innovation support to the small and medium business sector. Special emphasis is placed on the relationship between business and government.

Financial instruments, such as national guarantee funds, microfinance programs for small businesses and individual entrepreneurs, etc., have been widely developed and have proven to be an effective means of expanding access to financial services for SMEs.

Nevertheless, the availability of financial resources remains one of the main factors for the survival and development of small and medium-sized businesses. High interest rates on loans issued by commercial banks is also a serious problem. As a result, the share of employment in the small and medium business sector varies by country and averages 42% in the CIS, which is lower than in the EU and the US, which range from 55 to 75%.

Due to different economic and financial opportunities, the level and nature of the development of the small and medium business sector in the CIS member states is different, but the common vector of support is aimed at equalizing the conditions for doing business and creating a uniform business environment.

Activities of the Advisory Council for the Support and Development of Small Businesses in the CIS Member States (hereinafter referred to as the Council), which was established on January 17, 1997 and carries out its activities in close cooperation with the CIS Executive Committee; dedicated to the development of this field.

Representatives of the competent authorities of Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia and Tajikistan participate in the work of the Council. Currently, the Russian Federation chairs the Council. Vadim Aleksandrovich Zhivulin, Deputy Minister of Economic Development of the Russian Federation, was confirmed as the Chairman of the Council for 2019-2020.

The main goals of the Council's activities include organizing the exchange of experience in the activities of infrastructure organizations and development institutions supporting small and medium-sized businesses, establishing mutual cooperation and converging the standards of their activities. Within the framework of its powers, the Council analyzes and systematizes best practices in supporting small and medium-sized businesses in the CIS on an ongoing basis, prepares proposals for the

development of cooperation between the relevant agencies of the CIS member states.

Council developments are regularly posted on the website of the CIS Executive Committee on the Internet, they are of practical interest to state bodies regulating small and medium-sized enterprises, interested bodies of CIS industrial cooperation and a wide range of specialists in this field.

At the 18th meeting of the Council held in Moscow on May 23, 2019, the participants discussed in detail a number of important issues related to the activities of small and medium-sized businesses in the CIS, the current state of the industry, the interaction of the Council with interested parties reviewed the results of cooperation. about issues of supporting organizations to small and medium-sized businesses, work results of the past period and tasks in the future. As an example of the activity of the Small and Medium Business Development Institute, the results of the Russian Small and Medium Business Corporation were presented, and the active systematic activity of state bodies and public organizations supporting small and medium business on the development of a favorable business environment was noted. done.

The materials presented at the meeting will be used in the practical activities of the Council, including the preparation of summary reports and recommendations on the development of small and medium-sized entrepreneurship in the CIS member states and support for their activities.

Within this direction, the Council prepared a report on the current situation of small and medium-sized businesses in the CIS member states, which was considered at the meeting of the Economic Council of the CIS in June 2019. The document includes sections presented by the competent authorities of the Republic of Azerbaijan, the Republic of Armenia, the Republic of Belarus, the Republic of Kazakhstan, the Republic of Kyrgyzstan, the

Republic of Moldova and the Russian Federation. In the report, the modern practices of supporting small and medium businesses in the CIS countries are systematized, proposals for further strengthening the potential of small and medium businesses are presented, and cooperation mechanisms between relevant agencies have been developed in this regard. It is noted that the system of support for small and medium-sized businesses in the CIS member states allows to consistently optimize the conditions for doing business and create the necessary business environment. Mechanisms for stimulating small and medium-sized entrepreneurship, including the results of scientific research, mechanisms that actively introduce advanced technologies, and support segments of the population in need of social protection are being improved.

Today, small and medium business is one of the important driving forces of the economy of the CIS member states. In order to encourage the development of this direction within the CIS, systematic work was launched with the participation of the Council to improve the support mechanisms at all stages of the formation and operation of business activities. Complex programs for the development of small and medium-sized businesses are being successfully implemented in the CIS member states, laws aimed at regulating and encouraging their activities have been adopted, and a state support system has been formed.

In order to further improve the infrastructure of supporting small business entities, the system of training small business entities and improving their qualifications, the practical activity of the Council is gaining importance in order to optimize the business environment, which allows to systematize best practices through the exchange of experience. . Support, service and financial support of small and medium-sized enterprises in the CIS, identification of possible "points of contact" in

public policy and principles of convergence of legislative norms in this area.

The following areas were defined as the main directions of the Council's activities in the future:

Comprehensive study of the policy and strategy formation of the CIS member states in the field of small and medium-sized businesses, promotion of cross-border cooperation with the participation of representatives of small and medium-sized businesses;

Strengthening cooperation between small and medium-sized business associations of the CIS member states;

Development of measures aimed at facilitating the use of financial resources by SMEs;

Assistance in the mutual formation of infrastructure institutions (business centers, trading houses, etc.) to support the activities of small and medium-sized enterprises in the territories of the CIS member states.

The comprehensive implementation of these tasks for the support of small and medium-sized businesses by the Council and the development of relevant recommendations will help to form the necessary platform that will optimize the process of interaction between specialized development institutions and infrastructure organizations, as well as Provides additional opportunities for SMEs. overcoming possible obstacles, easy access to all kinds of necessary information and reliable communications.

Thus, the active involvement of small and medium-sized enterprises in the processes of forming a free and open system of production, trade and investments, creating a favorable and stable environment for the mutual cooperation of business structures is ensured, which, in turn, contributes to the CIS gives an additional impetus to the development of the economic potential of the countries.

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