

SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP ECONOMIC DEVELOPMENT MEASURES

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ABSTRACT

This article describes the current circumstances and processes of small business and private entrepreneurship economic development measures in the Republic of Uzbekistan.

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

Small business and private entrepreneurship is one of the important factors of economic development, increase of employment and income of our compatriots. More than 50 decrees and decisions of the President of the Republic of Uzbekistan were adopted in the following years in order to support subjects in this regard and create convenience for them.

Since the first years of Uzbekistan's independence, great attention has been paid to the development of the legislation and legal framework, the organization of their financial support, the protection of the rights of entrepreneurs, the solution of their urgent problems, the training and retraining of personnel, and the development of the market infrastructure that serves small businesses.

Today the statistics are open and what can we observe? Small business continues to show growth rates. According to the results of 2022, the share of small business in the republic's gross domestic product (GDP) was 51.8%. In terms of regions, the largest share was observed in Jizzakh (gross added value created in the region was 78.4% of the total), Surkhandarya (76.8%) and Bukhara (74.1%) regions. The smallest share of small business was registered in Navoi region (26.8%).

Therefore, it means that a certain part, in this case more than half, of the total mass of

products and services produced in all sectors (trade, construction, industry, etc.) is produced by those small firms and enterprises. .

For comparison, the share of small and medium-sized businesses in the gross domestic product of developed countries is 50-60 percent. In Poland - 51%, in Germany - 53%, in Finland - 60%, in the Netherlands - 63%.

One of the main indicators of the development of the business environment in the world is the most influential and recognized report "Doing Business" of the World Bank (WB).

and the most-cited study assessing the ease of doing business in 190 countries across 10 indicators.

The country's place in this ranking reflects not only a favorable business environment, but is also an important criterion for making investment decisions in the international business community.

In the decision of the President of the Republic of Uzbekistan dated February 5, 2019 "On additional measures to improve the rating of the Republic of Uzbekistan in the annual report of the World Bank and the International Finance Corporation (IFC)" No. PQ-4160. "Doing Business" aims to reach 20th place by 2022. Currently, we are moving towards the set goals.

Thanks to the measures implemented in recent years, Uzbekistan rose from 138th to 69th place among 190 countries in the "Doing Business" rating.

The following conditions have been created for the development of entrepreneurship in our republic:

1. Small business registration time - 30 minutes. To register an entity as an individual entrepreneur, you need to prepare only one document, and as a small business with a legal entity, two documents.

2. Financial support of small business entities is carried out in the following order:

providing preferential bank loans at a subsidized rate;

guarantee of the State Fund for Support of Entrepreneurship in the amount of up to 50% of the loan amount received for business entities;

provision by the fund for covering interest expenses on loans of commercial banks.

3. Business interests are protected by the representative institute for the protection of the rights and legal interests of business entities. In Uzbekistan, unscheduled inspections of the activities of small business entities were canceled, business entities that committed financial and economic offenses for the first time were exempted from all types of liability;

4. Training courses were organized across the country for entrepreneurs implementing projects based on privatized objects. Youth entrepreneurship clusters are being established, in which young entrepreneurs who have started a new business are provided with space for rent at a zero rate for a certain period.

for 5 years.

The measures taken were aimed at improving the legal framework and regulatory procedures in the field of business activity, creating a favorable business environment and forming a positive image of our country in the international arena.

The American Heritage Foundation research institute announced the next Economic Freedom Index, in which Uzbekistan took 140th place in 2019 and rose from 152nd place with 53.3 points during the year.

The "Freedom of Business" sub-index, which is directly related to the development of small business and the business environment in general, reflects the possibilities of opening, conducting and closing business activities;

the level of the general administrative burden on entrepreneurs, as well as the level of efficiency of state bodies in regulating the business environment.

The data for 2010-2023 show positive dynamics, which is directly related to changes in the field of regulation of the business environment and the creation of favorable conditions for small business.

The main problems in the field of small business and private entrepreneurship are still being considered:

lack of own and borrowed financial resources, as a result of which small enterprises do not have the opportunity to purchase modern and high-tech equipment;

problems and difficulties in obtaining land plots for business activities, as well as connecting to engineering and communication networks;

the lack of liquid collateral or the fact that this collateral is insufficient for a bank loan at the start of its activity, which reduces the possibility of obtaining a loan;

difficulties in obtaining long-term loans that encourage the formation and development of small innovative industrial production;

the inefficiency of the mechanisms for the export of small business products to the regional and world markets, as well as the complexity of competition in the foreign market in some sectors of the economy and the problems of entering foreign markets;

insufficient development of information systems, marketing, management and logistics

services; insurance companies, audit firms, trading houses, consulting offices, business centers, business incubators;

insufficient development of sales markets, as well as markets of raw materials and materials;

low level of professional and qualification training of those employed in small business;

numerous regulatory bodies.

Small enterprises are not provided with modern technological equipment that ensures competitive product production.

At the same time, there are unsolved problems in the banking sector, many entrepreneurs point out the high lending rates and commission fees for banking operations, in particular, the additional fee charged for the consideration of submitted documents by the credit commission. .

In addition, entrepreneurs have to assess insurance and collateral, notarize loan documents, etc. when getting a loan. must cover their expenses.

At the same time, banks set subscription fees and other commission rates for conversion of funds, opening of letter of credit, transfer of converted funds to the account of foreign partner banks and other services, which is commercial It will be a big financial burden for entrepreneurs who apply to their banks. financial aid.

In order to prevent such a situation, it is proposed to revive the activities of credit unions and microcredit organizations, which can become real competitors for commercial banks, which will allow to lower rates. Also, commercial banks must accept collateral evaluations conducted by independent evaluation organizations. Currently, the value of the collateral is indicated by the bank itself, and the value of the evaluated collateral may be underestimated.

Proposed measures to encourage the development of small business and private entrepreneurship:

1) further relaxation of interest rates on loans, which allows small businesses to reduce costs and ensure financial stability, because in global practice, the lower the lending rate, the more it stimulates production growth and consumer demand ;

2) organizing the training of personnel with entrepreneurial skills, which is a catalyst for the development of small business and individual entrepreneurship, by introducing the "Vocational Education" vocational education for the 10-11th grades of secondary schools. Austria and Germany.

3) to continue the development and strengthening of cooperation relations between large enterprises and small business entities, as well as holding cooperation fairs;

4) radical simplification of processes of coordination of land issues, registration of buildings when they are given to the use or ownership of entrepreneurs;

5) development and implementation of criteria for evaluating the activities of state administration bodies and local state authorities on the development of entrepreneurship and the development of the business environment in general;

6) development of public-private partnership aimed at reducing business and investment risks in the fields of scientific research and experimental construction work, popularization of new technologies;

7) Introducing the mechanism of giving the shares of state enterprises to the management of employees who have been working in them for more than 5 years, this will provide an additional incentive for employees to think and develop as entrepreneurs. of the enterprise.

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