

MODERN DIRECTIONS OF SUPPORTING SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP IN NEW UZBEKISTAN

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Abstract. *This article considers the creation of small business industrial zones, improvement of the investment environment and competition environment, expansion of the volume of public procurement within the framework of public-private partnership with small business, strengthening of mutually beneficial cooperation between enterprises, involvement of business entities in innovation processes. developed.*

Keywords: *small business, investment, enterprise, entity, activity, process, income.*

Introduction. Small businesses are types of corporations, partnerships, or sole proprietorships which have a small number of employees and/or less annual revenue than a regular-sized business or corporation. Businesses are defined as "small" in terms of being able to apply for government support and qualify for preferential tax policy. The qualifications vary depending on the country and industry. One of the most significant contributions of small businesses is job creation. Small businesses are responsible for creating two-thirds of net new jobs in the US. This job creation is critical for the US economy, as it provides employment opportunities for people across all levels of education and experience. Small businesses also help to reduce unemployment rates and stimulate economic growth by increasing consumer spending. Small businesses also play a critical role in promoting economic resilience. During economic downturns, large corporations often lay off workers and cut costs to maintain profitability. However, small businesses are better equipped to weather economic downturns because they have lower overhead costs and are more agile in responding to changes in the market. In fact, during the 2008 financial crisis, small businesses were responsible for creating 67% of new jobs. In order to develop the activities of small business entities in our republic, support of this sector through various financial means is being implemented as a priority.

The following methods are used to support and control the development of small business and private entrepreneurship:

- Fiscal;
- Monetary;
- Direct influence.

In fiscal policy - the activities of business entities are managed through taxes and state payments.

Monetary policy- this is the control of the money supply by the state through the state national bank.

Conducting a monetary policy slows down the inflation process in the country, which allows for the stabilization of monetary and credit transactions and, on this basis, the development of entrepreneurship.

Direct effect showing is carried out by the state with the creation of laws related to this field. The laws adopted in the Republic of Uzbekistan "On Entrepreneurship", "Expropriation and

Privatization of Property", "On Enterprises", "Encouraging the Development of Small and Private Entrepreneurship" is the result of the positive work being done.

Research methodology. Systematic approach, abstract-logical thinking, grouping, comparison, factor analysis, selective observation methods were used in the research process.

Analysis and results. In 2022, the share of small business and private entrepreneurship in the gross domestic product was 63.3 percent or 169,301 billion soums. (In Japan - 55%, in Germany - 54%, in the USA - 52%, in Kazakhstan- 25.6%, in Russia - 20%). 78.3% of the employed population in the country are engaged in small business, while in 2000 this figure was 49.7%.

The share of small business in the production of industrial products was 12.9% in 2000, and in 2019 this indicator was 39.6%, in agriculture - 99%, in construction - 65%, 1%, in retail turnover - 88.4%. The share of small business in the total export of the country was 27%, in import - 50%, and in investment - 32%.

According to the current legislation, the annual average number of employees in agriculture, forestry and fisheries - up to 50 people, depending on the type of activity in industry - from 100 to 270 people; entities with 25 to 50 employees in the trade and service sector are classified as small enterprises.

The following conditions have been created for the development of small business and private entrepreneurship in our republic:

- Registration time of small business entities is 30 minutes. Only one document is required for registration as an individual entrepreneur, and two documents are required for registration of a small enterprise as a legal entity.

- The single tax payment rate, which is an important factor in creating favorable conditions for the development of small businesses in almost all sectors, is 5% of the volume of goods and services sold. In addition, the current rate of the single social payment for small business entities is 15%.

Newly established production enterprises with participation of foreign investment are given the right to apply the rate of tax and compulsory payments on the day of their registration for five years. Starting from 2018, it was established that small enterprises with a land area of more than 1 hectare will pay a single land tax.

- Financial support of small businesses is implemented in the following ways: granting loans at preferential rates by banks; guarantee of 50% of the loan funds granted to business activities of the State Fund for Entrepreneurship Support and compensation of interest expenses calculated on loans from commercial banks

- Business interests are protected by the institution responsible for protecting the rights and legal interests of business entities. In Uzbekistan, the unscheduled inspection of the activities of small business entities has been canceled, and business entities have been exempted from all types of administrative fines for financial and economic offenses committed for the first time.

In all regions of the republic, entrepreneurship support centers have been established in centers operating under the principle of "one-stop shop" providing state services to business entities. "Business incubators" are established for entities that are just starting their business activities to prepare their business plans, provide legal and practical support, as well as receive the necessary information for their activities.

Clusters for young entrepreneurs were organized by training courses on business management for entrepreneurs across the republic, implementing projects on the basis of privatized facilities, allocating land areas on the basis of rent at a zero rate for a period of 5 years. In April 1, 2022 the number of operating small business entities (except farmers and farms) was 238.5 thousand (99.4 thousand in 2001). Among them, 8.2% are small enterprises and the remaining 91.8% are micro-firms. If we analyze this indicator by sectors, 9.1 percent of small business entities are in agriculture, 20.9 percent in industry, 11 percent in construction, 34 percent in trade and catering, 5.2 percent in freight transportation, and 19.7 percent are working in other fields.

Small business entities in the regions if we look at the share in the industry, it was 71.3% in Tashkent city, 68.4% in Namangan region, 61.3% in Jizzakh region and 55.5% in Samarkand region. The same indicator was 29.6% in Tashkent region, 23.1% in Kashkadarya region, 18.8% in Navoi region and 18% in the Republic of Karakalpakstan.

At the same time, we should highlight the problems that prevent small businesses from fully realizing their potential.

In small business, more than 62% of employees are employed in individual businesses, while only 16% are in small enterprises and micro-firms. Low levels of employment of small enterprises correspond to Navoi (11.3%), Kashkadarya (12.4%) and Tashkent region (13.2%). In small business 34.2% of jobs are in agriculture, 12.7% in industry, 11.6% in construction, 13.4% in trade and 28.1% in services.

As can be seen from the analysis of the above paragraphs in the cross-section of sectors, we can see a relatively low level position of small business in the industrial sector, where the efficiency of job creation is high compared to other sectors. Maintaining this indicator at the current level of growth may cause problems related to the increase of the population's wages and real income from business activities in the future. This situation may lead to the restriction of social guarantees provided by the state to the population.

The share of the number of small business entities in trade remains at a high level (26.7% of the total number of small business entities or 63.7 thousand entities). In the retail turnover, we can see that the share of small businesses and micro-enterprises was 20.2%, while the share of individual entrepreneurs was 69.4%, which has a negative impact on the income of the banking sector. and creates inconsistencies in the taxable base of small businesses.

If we look at the number of small business entities in the cross-section of regions, the largest number of entities are in the city of Tashkent (22.6%), Tashkent (9.6%), Fergana (8.8%) and Andijan (8.7%) regions are conducting their activities. About 50% of the total number of small business entities are operating in these four regions. It can be seen that in other regions of our republic, such as Syrdaryo (3.2%), Navoi (3.3%) and Jizzakh (4.2%), it indicates that the existing potential of small business entities is not being used sufficiently.

In the development of small business in our country, construction and finishing materials, tools and equipment, machine-building spare parts and equipment, electrical engineering, chemistry, pharmaceutical products, production of many types of consumer goods, etc. are areas with high potential.

Increasing the contribution of small business to the country's economy, creating small industrial zones, improving the investment environment and competitive environment, expanding the volume of public procurement within the framework of public-private partnership with small

business, strengthening mutually beneficial cooperation between large and small enterprises, innovation we can see by involving business entities in the processes.

Conclusion

From what has been analyzed and discussed above it can be inferred that these measures help to create more jobs in the field of effective small business, increase access to the world market, increase the export potential of the country and increase the income of the population. It is also worth noting that it is important to provide financial support to successful and promising small enterprises that have sufficient export potential, but at the same time do not have enough capital for further development.

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