



NEW MANAGEMENT SYSTEM FOR SUPPORTING SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP

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***Abstract** In the article, issues such as the nature and content of small business and private entrepreneurship, their role in the development of the economy are highlighted. Also, through the socio-economic reforms that are being carried out to accelerate the growth of the country's economy, to meet the needs of the population, to solve the issues of increasing their income, to ensure their comfortable living, to create employment, a healthy competitive environment, to effectively influence the demand and supply in the market, to increase the social activity of women and young people. development of small businesses and private enterprises is one of the priorities.*

***Key words:** investment, capital, innovation, bank loans, resources, export, import.*

INTRODUCTION

Today, small business and private entrepreneurship is one of the important factors of economic development, population employment and income growth. In recent years, more than 50 decrees and decisions of the President of the Republic of Uzbekistan have been adopted in order to support the subjects of this field.

From the analytical data, we can see that small business in the republic continues to show growth rates. In January-September 2021, the share of small business entities in the gross domestic product was 58.1 percent. The share of small business in the gross domestic product of our country was 54.9 percent. In terms of regions, its largest share was observed in Jizzakh (81.2 percent of the total added value created in the region), Surkhandarya (77.3 percent), and Bukhara (75.4

percent) regions. The lowest share of small business (entrepreneurship) was recorded in Navoi (27.1 percent) and Tashkent (46.8 percent) regions.

Literature analysis

In the textbook "Entrepreneurship and small business" by one of the economists of our country, S.S. Ghulomov did not present the opinions expressing the impact of small business on economic growth, but similar opinions were expressed. A brief opinion on the influence of internal and external factors on the business environment and their variability is given [21, 71 p.]. B. Yu. Khodiev, M.S. Kasimova, A.N. According to the opinions of economists such as Samadov, "...the business environment is mainly implemented as a result of the interdependence of the following four factors: legal, political, social and economic factors" [1, 25 p.]. Economist M. Rasulov notes that entrepreneurship "...requires certain conditions for its development..." [2, 227 p.] these conditions consist of economic, political, spiritual and legal foundations. In the scientific dissertation of U.V. Gafurov [3], attention is focused on issues related to state regulation of small business and entrepreneurship, expansion of the business environment. In addition, the theoretical and practical aspects of the development of small business and private entrepreneurship, regional network problems, and modeling of infrastructure objects have been researched in the scientific works of a number of scientists of our Republic. [4, 5, 6, 7, 8].

MAIN PART and analysis

According to preliminary data, the GNP of the Republic of Karakalpakstan increased by 7.4% compared to 2021 and amounted to 26,250.7 billion soums. GNP growth in the main branches of the regional economy, such as agriculture, forestry and fisheries - 103.7% (the share of GNP - 28.8%), in industry - 107.4% (26.7%), in

construction - 110.5% (8 .5%) is associated with positive growth rates and the service sector showed the following result: 109.7% (36.0%). GNP per capita increased by 6.0 percent and amounted to 13,558,600 soums.

This decrease is explained by the increase in the share of large enterprises in the GDP. In recent years, the share of small business in the GDP has been growing steadily.

It can be concluded 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.) in one year was produced by those small firms and enterprises. For comparison, the share of small and medium business 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 World Bank (WB) "Doing Business" report, which is the most authoritative, recognized and the most cited research that evaluates the ease of doing business in 190 countries according to 10 indicators.

A 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)" (Doing Business), by the end of 2022, 20 set the goal of taking the place.

Thanks to the measures implemented in recent years, Uzbekistan rose from 138th to 69th place among 190 countries of the world in the "Doing Business" rating. Кичик бизнес субъектларини молиявий қўллаб-қувватлаш қуйидаги тартибда амалга оширилади:

A) Issuance of preferential bank loans at a subsidized rate;

B) A guarantee of the state fund to support the development of entrepreneurship in the amount of up to 50 percent of the loan amount received for business entities;

C) Provision by the fund for covering interest expenses on loans received from commercial banks.

D) The interests of business entities are protected by the representative institution 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;

E) Training courses on running a business and implementing projects on the basis of privatized objects were organized for entrepreneurs across the country. Youth entrepreneurship clusters are established, in which young entrepreneurs who have started a new business are provided with rental space for a period of time at a zero rate.

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

The American Heritage Foundation research institute published 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 business environment in general, reflects the possibilities of starting, conducting and ending business activities; the level of the general administrative burden on entrepreneurs, as well as serves to increase the level of efficiency of the state in regulating the business environment.

Data from 2010-2020 show a positive trend, which is directly related to changes in the field of business environment regulation and creation of favorable conditions for small business.

We believe that the main problems in the field of small business and private entrepreneurship are:

- lack of own and loan funds, 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 them to engineering and communication networks;
- lack of liquid collateral or if this collateral is insufficient for a bank loan at the time of its operation, this reduces the possibility of obtaining a loan;
- difficulties in obtaining long-term loans that encourage the formation and development of small innovative industrial productions;
- 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 skill training of those employed in small business;
- low-level equipment of small enterprises with modern technological equipment that ensures competitive product production.

At the same time, there are unsolved problems in the banking sector, many entrepreneurs claim that lending rates and commissions for bank transactions are

high, in particular, an additional fee is charged for the consideration of submitted documents by the credit commission.

In addition, entrepreneurs need to assess insurance and collateral, notarize loan documents, etc. when obtaining a loan. have to cover their expenses. The following table shows the state of use of investment resources of small business enterprises in Uzbekistan. (Table 1)

Table 1. Use of investment resources of small business enterprises in Uzbekistan, billion. in sum ¹

Indicators	2015 y.	2016 y.	2017 y.	2018 y.	2019 y.	2020 y.	2021 y.
Investments in fixed capital	5 797,5	6 722,4	8 874,1	14 486,5	33 111,9	70 650,2	77 715,2
investments in the purchase of machinery, equipment and farm equipment	4 430,2	4 849,4	6 707,9	10 728,0	24 483,1	52 543,0	57 797,3
construction and assembly works	1 185,2	1 753,0	2 040,9	3 401,3 7	7 304,4	15 063,8	16 570,2
	Including sources of financing						
own funds of the enterprise	2 942,7	3 624,7	4 702,7	7 358,5	13 358,8	13 663,0	15 029,3
funds of foreign investors, their reinvestment	564,5	329,8	862,4	886,1	3 940,8 3	33 613,9	36 975,3

At the same time, banks are setting subscription fees and other commission fees for converting funds, opening a letter of credit, transferring converted funds to the account of foreign partner banks and other services, which is a huge financial burden for entrepreneurs who apply to commercial banks. financial aid.

To prevent such a situation, it is proposed to restore the activities of credit unions and microcredit organizations, which can be real competitors for commercial banks, which will lower rates. It is also necessary for commercial banks to recognize collateral valuations made by independent valuation organizations. Currently, the value of the collateral is indicated by the bank itself, and the value of the evaluated collateral may be underestimated.

¹ Stat.uz based on the data

CONCLUSION

We offer the following 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 loan rate, the more production growth and consumer demand are stimulated;
- 2) *Austrian and German experience.*

Organization of training of personnel with entrepreneurial skills, which is a catalyst for the development of small business and individual entrepreneurship, through the introduction of the "Vocational Education" vocational education system for the 10-11th grades of general education schools;

- 3) To continue and strengthen the development of cooperation relations between large enterprises and small business entities, as well as holding cooperation fairs;
- 4) Coordination of land issues, radical simplification of registration processes when buildings are transferred to the use or ownership of entrepreneurs;
- 5) Development and implementation of criteria for evaluating the activities of state authorities and local government authorities on the development of entrepreneurship and business environment in general;
- 6) Development of public-private partnerships aimed at reducing business and investment risks in the fields of scientific research and experimental construction work, distribution 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 allows additional incentives for employees to think and work like entrepreneurs.

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