

PROSPECTS OF ENTREPRENEURSHIP DEVELOPMENT IN THE REGIONS OF THE COUNTRY

¹Meyliev Obid Rakhmatullaevich, ²Gofurova.K.

¹Associate Professor of Tashkent Financial Institute, Doctor of Economic Sciences (DSc)

²Student of Tashkent Financial Institute

<https://doi.org/10.5281/zenodo.8245991>

Abstract. *The article describes how to improve the economy of our country and the lifestyle of the population through the development of small business and entrepreneurship in the regions. In order to increase the number of people engaged in small business and entrepreneurship in the regions, the possibilities of creating convenience and relief in the tax system are based.*

As a result of the conducted research, scientific and practical recommendations were given for the development of small business and entrepreneurship in the territory of our country.

Keywords: *small business and entrepreneurship in the regions, individuals engaged in private entrepreneurship, value-added tax system, the role of tourism in the development of entrepreneurship.*

Currently, special attention is paid to the development of small businesses and entrepreneurship in the regions of the Republic of Uzbekistan. The improvement of small business and entrepreneurship in the territory of the Republic is gaining a significant place in finding a solution to the economic problems facing the current period.

Consequently, the English economist A. Smith believes that the entrepreneur is the owner of this capital and begins to work on the basis of risk in order to realize a certain idea and generate income. Because investing capital in something requires constant risk. Therefore, A. Smith believes that income from entrepreneurship is called income from personal risk. The entrepreneur plans, organizes, and owns the results of the production process and the process associated with it, and the process in which this is happening is in turn a market system.

A. Smith noted that the market was what society wanted to buy and produced the required amount of goods. Meanwhile, Smith suggests that the market is a powerful force; it provides society with the necessary goods constantly, and this system shows self-coordination. In his opinion, a self-imposed market system will develop, and the wealth of people with such a system will continue to increase.

In his book "Theory of Economics" American economist-scientist Y. Schumpeter described the entrepreneur as a novatar (innovator), arguing that he plays an important role in the development of the capitalist economy and in ensuring the growth of the economy.

On the scale of our country, work is widely continuing to reduce state participation in the economy, protect private property, further strengthen its priority position, and stimulate the development of small businesses and private entrepreneurship. Ensuring the reliable protection of private property rights and guarantees, overcoming obstacles and restrictions on the development of private entrepreneurship and small business, and ensuring the state of the activity of entrepreneurial structures, all opportunities have been created by law enforcement and control agencies to strictly prevent illegal interference.

Enterprises engaged in small business activities can introduce jobs on their own, independent of the state, that is, without large capital funds, reduce the shortage of goods that we

have temporarily in the current period, and even completely eliminate this shortage. Small enterprises and microfirms are also of great importance in the introduction of innovations.

In particular, small businesses provide a high level of resource turnover as an economic activity that does not require a lot of funds in the conditions of capital persecution and can quickly and economically implement the problems of restructuring the economy, economic instability, and the formation and replenishment of the consumer market in the conditions of limited economic resources.

In addition, small enterprises are increasingly finding their place in the transition of leading industries to new technologies in the context of the development of Science and technology. They show the main binding quality of the system: providing work processes with new thoughts and improvements in production through the introduction of new information technologies.

Small businesses established in the regions, as well as entrepreneurship, quickly adapt to changes in consumer demand, immediately form a supply with high elegance, and, in this way, provide a balance in the consumer market. Small businesses play an important role in finding solutions to unemployment problems as well as creating new jobs. At the moment, this sector is at the forefront not only in accelerating the growth patterns of the economy but also in providing employment, which, together with this, has become an urgent problem throughout the world, and improving the way of life of the population, that is, increasing their income.

President Of The Republic Of Uzbekistan Sh.M. Mirziyoyev noted, "We cannot completely solve the issues of building only large enterprises, increasing employment and income of the population, and increasing budget revenues. The most important way to increase the standard of living is to develop entrepreneurship and small businesses."

An explanation for the above points is that in the last decade, the share of small businesses in the structure of GDP has grown from 31.1 percent to 52.5 percent, and the employment rate in this area has increased from 49.7 percent to 74.5 percent of the total number of working people in sectors of the economy. More than 47% of the population's income corresponds to the contribution of income from entrepreneurial activity.

Table 1

Share of small business and private entrepreneurship over the period 2019–2023, in percentage

t/r	Specification	2019 year	2020 year	2021 year	2022 year	2023 year(plan)
1	GDP	56	55,7	54,9	50,5	52,8
2	Industry	25,8	27,9	27	23,2	24,2
3	Construction	75,8	72,5	72,4	74,9	73,8
4	Employment	76,2	74,5	74,4	74,8	74,6
5	Export	27	20,5	22,3	17,6	27,4
6	Import	61,6	51,7	48,7	44,7	48,8

According to the data presented in the table, while the share of small businesses and private enterprises in GDP has had a constant downward trend from 2019 to 2022, in 2023 these forecast indicators were forecast to have an increase trend and are planned to be 52.8 percent. Together with this, the employment indicators in the economy are on average 74 percent, almost unchanged in the years being analyzed. Despite the fact that the share of small businesses and entrepreneurship

has a tendency to regularly decrease in imports from the years analyzed compared to 2019, this figure is planned to be 48.8 percent, with a slight increase by 2023.

Today, small businesses and private business entities operate in all aspects of the economy of our country, including industrial, construction, mechanical engineering, rural, forest, and fish farming, as well as various other industries. The products produced in small enterprises are distinguished by the fact that they do not lag qualitatively or quantitatively behind the economic resources and production products supplied to society by state-owned enterprises and are even, in some cases, higher than them. Due to small business and entrepreneurial activity in our Republic, 37,219.5 billion of industrial products were produced in the current year, and foreign trade activities include 25.3 percent exports and 48.4 percent imports.

Table 2

The volume of the main indicators in the economic sectors of small business and entrepreneurship in 2019–2022

t/r	Specification	2019 year	2020 year	2021 year	2022 year
1	Industry (billion.so'm)	83344,2	103020,8	121719,2	94852,9
2	Construction (billion.so'm)	53960,9	63866,6	77762	69460,4
3	Employment (thousand people)	10318,9	9865,7	10070,7	10321,8
4	Eksport (mln. USA.dol)	4714,8	3100,9	3711,2	3852,8
5	Import (mln.USA. dol)	14972,2	10943,3	12389	10717,2
6	Trade (9mlrd.so'm)	138920,7	164106,1	204787,4	167747,6
7	Rural, forest and fish farming (billion.so ' m).	219466,9	253238,2	307280,2	240469,9
8	services(billion.so'm)	103106,6	114052,7	144812,7	124598,8
9	Shipping (mln.tons)	641	638,9	678,9	414,4
10	Cargo turnover (mln.ton-km)	12152,3	12304,6	13108,1	10391,8
11	Passenger traffic (mln.passenger)	5345	4904,8	5237,6	4082,6
12	Passenger turnover (mln.pass.km)	117412,7	107766,7	114681,5	90420,7

According to the data presented in Table 2, we can see the role and size of small businesses and private entrepreneurship in 12 economic sectors. According to this, in contrast to the export network, the volume of entrepreneurship in all economic sectors is indicated by the rate of decline by 2022. Although this indicator has shown a downward trend in recent years, it has brought significant benefits to the economy of our country. Thanks to small businesses and private entrepreneurship in the regions, exports of \$ 3,852.8 from our country have been issued to foreign countries, which, according to the information in Table 1, is 27.4 percent. Also, construction works worth 69,460.4 billion so'm were carried out.

According to the above data, despite the increase in the share of economic resources and production products produced by small businesses and entrepreneurship in the volume of GDP,

the number of small enterprises and microfirms established by regions this year had a tendency to decrease.

Table 3

In January-March, newly established small enterprises and micro-firms, (*the number of firms*)

Regions	Yanvar-mart 2022-yil	Yanvar-mart 2023-yil	(+;-)
Republic of Karakalpakstan	1028	1800	772
Andijan region	2004	1066	-938
Bukhara region	1238	1542	304
Jizzakh region	1329	1031	-298
Kashkadarya region	1764	2143	379
Navaiy region	1175	1085	-90
Namangan region	1379	1272	-107
Samarkand region	3273	2064	-1209
Surkhandarya region	1372	926	-446
Sirdarya region	770	663	-107
Tashkent region	1803	1879	76
Ferghana region	1892	2195	303
Kharazm region	1307	1438	131
Tashkent city	3643	4126	483
Throughout Republic of Uzbekistan	23977	23230	-747

The number of small enterprises and micro-firms located in the Samarkand region will be 2064 in 2023, and this figure has decreased by 1209 compared to last year. The number of small business enterprises established in the Andijan region includes 1,066, and the share of investment in this region of our republic in 2023 is low compared to other regions (2,021.6 billion so'm). It was recorded that it decreased to 938.

The table shows that the number of small enterprises and firms located in Surkhandarya region decreased to 446, Jizzakh region to 298, Sirdarya region to 107, and Navoi region to 90. In the first quarter of 2023, the share of small business entities in GDP was 43.7%, which decreased by 0.8 points compared to 2022. The main reason for the decrease is the increase in the volume of added value for large business entities.

Despite the fact that the number of small firms and micro-firms engaged in family business and private entrepreneurship is reduced in the above regions of our country, the Republic of Karakalpakstan (772), Tashkent city (483), Kashkadarya region (379), and Bukhara region (304) of our republic, the number of newly established enterprises and micro-firms in Fergana region (303), Khorezm region (131), and Tashkent region (76) is presented in Table 3. The reason for the increase in the number of new micro-firms and small enterprises in the territory of the Republic of Karakalpakstan is to prevent the deterioration of the ecological situation in this region of our

country and thereby improve the lifestyle of the population. Since Tashkent is the center of urbanization in our republic, family businesses and private entrepreneurship are developing.

The development of regional entrepreneurship is not only possible in the above economic sectors, but it can also promote the development of tourism and introduce the name, traditions, culture, and values of Uzbekistan to Europe. Because the development of small business and entrepreneurship in tourist areas, along with the development of tourism and the increase in incomes of the population, attracts the attention of foreigners, the services provided to tourists and the national products of our people created by the owners of various crafts, such as handicrafts, hat making, pottery, sewing, etc., are being welcomed with great interest. At the same time, it increases their respect for handicrafts and our past and national traditions and encourages them to learn about them.

In addition, the expansion of small businesses and private entrepreneurship is reflected in the increase in production volume in other sectors of the economy. In order to encourage the development of entrepreneurship, the state is the main priority for social, economic, and legal improvement.

The formation of entrepreneurship is closely related to social and economic conditions. In the development of entrepreneurship, the economic situation is close to the social situation of the state. Social conditions are primarily determined by the desire to purchase goods that meet the tastes and fashions of consumers. This requirement may change at different stages. Moral and religious norms related to the socio-cultural environment have a serious effect on this. Social conditions also depend on the attitude of a person toward his work, which has an influence on the amount of salary offered by the business and his attitude toward working conditions.

It is important to increase the issue of training and retraining business employees, improving their skills in the formation of entrepreneurial activities. For this, it is necessary to organize the study of modern methods of conducting business activities, to train and retrain employees, to introduce them to the experience of developed countries, and to create an opportunity to go abroad to improve their skills.

Every business activity takes place in an appropriate legal environment. Therefore, it is important to create the necessary legal conditions. In the first place, there are decrees that control entrepreneurship and support its organization; the existence of laws confirming the facilities created for the development of entrepreneurship; the protection of entrepreneurship from state bureaucratic systems; the improvement of tax legislation; and so on.

Today, in our opinion, in order to develop entrepreneurship in the regions, it is necessary to create a number of facilities for entrepreneurs, especially in this field, which includes the following proposals:

It is necessary to further improve the granting of medium- and long-term loans to small business entities for the modernization of production and to eliminate the problems arising from this.

It would be appropriate for the agency to provide information and support to help small business entities establish foreign economic activities and export their products.

Preferential taxation of small businesses (for example, in France, every year about 1,000 small businesses and microfirms are given tax breaks and tax exemptions).

The creation of state financial support for small businesses (in Italy, a large amount of money is allocated to finance the research and development work of small companies).

Laws and decrees supporting small businesses and private and family entrepreneurship should be reviewed, and special laws should be adopted.

To conclude, entrepreneurship is a risk-based production activity of legal entities and individuals based on their own property freedom.

It is necessary to create social, economic, and legal conditions for the formation and development of entrepreneurship, especially small business and family entrepreneurship.

Entrepreneurship not only contributes to the development of society's potential in the formation of social relations but also creates a favorable environment for the manifestation of individual abilities and the creation of skills. It takes the lead in maintaining the national spirit and economic leadership in the increase of national wealth and world integration. Therefore, attention is being paid to the creation of facilities and opportunities for the development of entrepreneurship, especially small business and family entrepreneurship, and strengthening its legal base.

REFERENCES

1. Qudbiyev, N. T., Haydarov, U. S. O., & Kurbonova, S. A. (2022). HARAJATLAR HISOBNING ZAMONAVIY USULLARI. *Scientific progress*, 3(1), 442-448.
2. Нурматов, О. Т. (2018). Вопросы соответствия международным стандартам национального стандарта бухгалтерского учёта Республики Узбекистан. *Вопросы науки и образования*, (11 (23)), 13-14.
3. Qudbiyev, N. T., Ulug'bek Erkinjon, O. G. L., & Mominov, I. L. O. (2022). TADBIRKORLIK SUBYEKTLARIDA ICHKI NAZORATNING SAMARALI TIZIMI SIFATIDA ICHKI AUDITNING O'RNI VA AHAMIYATI. *Scientific progress*, 3(1), 449-457
4. M.P. Boltabayev, M.S. Qosimova, B.K.G'Oyibnazarov, Sh.J. Ergashxodjayeva, A.N. Samadov, Sh.I. Otajonov. *Kichik biznes va tadbirkorlik. O'quv qo'llanma. 2011-yil. 280 bet.*
5. Meyliyev O.R, Gofurova K.X. qizi. (2023). UNEMPLOYMENT RATE IN UZBEKISTAN AND OPPORTUNITIES TO REDUCE IT. *World Bulletin of Management and Law*, 19, 201-205.
6. Shodibekova D. A., Shodibekov D.I. *Tadbirkorlik va kichik biznes asoslari – T.: Iqtisodiyot 2013. 226 bet.*
7. Meyliev, O. R., & Gofurova, K. X. qizi. (2023). QISHLOQ XO'JALIGINI RIVOJLANTIRISH VA ISLOH QILISH MASALALARI. *TA'LIMNI RIVOJLANTIRISHDA INNOVATSION TEXNOLOGIYALARNING O'RNI VA AHAMIYATI*, 1(1), 125–129.
8. Meliyev O.R, Gofurova K.X. qizi. (2023). MAMLAKAT SOLIQ SIYOSATINING MAKROIQTISODIY SAMARASI. «Давлат солиқ сиёсатининг трансформацияси имкониятлари ва самардорлигининг истиқболлари» мавзусидаги халқаро илмий-амалий анжуман материаллари тўплами. – Т.: «QAMAR MEDIA», 2023. – 718 б.
9. Meyliev, O., & Gofurova, K. (2023). MINTAQALARNING BARQAROR IQTISODIY RIVOJLANISHINI TA'MINLAS H ISTIQBOLLARI. *“Milliy Iqtisodiyotni Isloh Qilish Va Barqaror Rivojlantirish Istiqbollari” Respublika Ilmiy-Amaliy Konferensiyasi Materiallari to'plami.*, 388–392.
10. <https://e-library.namdu.uz> Boltabayev M.P. *Kichik biznes va tadbirkoplik.*
11. [https://www.uzavtoyul.uz/uz/post/kichik-biznes-va-tadbirkorlikni-rivojlantirish-boyicha-yangi-tizim-joriy-etiladi.](https://www.uzavtoyul.uz/uz/post/kichik-biznes-va-tadbirkorlikni-rivojlantirish-boyicha-yangi-tizim-joriy-etiladi)

13. <https://lex.uz/acts/-1856013>
14. <https://stat.uz/uz/rasmiy-statistika/small-business-and-entrepreneurship-2>
15. https://stat.uz/uploads/docs/kichik_tadbirkorlik_uzb_27.07.2019.
16. https://stat.uz/images/uploads/reliz2021/mb_senatbr_uz_28_01_2022.
17. <https://stat.uz/uz/default/choraklik-natijalar/39033-2023-2>