CURRENT STATE OF SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP IN THE DEVELOPMENT OF UZBEKISTAN'S ECONOMY

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Abstract

The article provides an overview of the role of small business and private entrepreneurship in the economy and its importance in the world economy. In addition, the results of the analysis of the activities of the industry in the Republic of Uzbekistan, measures on their elimination, recommendations for its development and recommendations.

Key words: Small business, Gross domestic product, Development program, Taxation, Investment climate, Import and Export.

1. Introduction

With the transition of the Republic of Uzbekistan to the market economy, the emergence of different types of property has led to the emergence of small business and private entrepreneurship. In addition, the establishment and development of small businesses has become a priority for the country's economy. As a result, the share of GDP in the country has increased, and the employment of the population has significantly increased.

President of the Republic of Uzbekistan Sh. Mirziyoev said: "Another important task of ours is to support and encourage small business and entrepreneurship, to create favorable conditions for strengthening the economic power of our country, peace and stability,

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in a particular country. For example, the current structure of the market economy in Russia suggests that there are about 10 to 12 million family businesses, but in practice their number is 300 - 400,000 (Volkov, 2015).

Establishment of small business enterprises in the Republic of Uzbekistan resulted in creation of independent business owners. The small business and private entrepreneurship business is one of the major macroeconomic factors of national economy, which is crucial to the ability of small businesses to adapt to the various macroeconomic conditions and requirements of the market economy. The growth of small businesses in recent years can be explained by the rising share of their contribution to the country's gross domestic product.

One of the most important signs of small business is to have direct ownership of their business. It is important to have direct ownership of property and control, the integrity of the proprietor and the risk, and the unity of the manager who can take on responsibility. In order to fully disclose the socio-economic essence of small businesses, it is important to mention the advantages of the other economic entities, as well as their advantages.

2. Analysis and Results

A special attention will be paid to the accelerated development, incentives and support of small business and private entrepreneurship, which will play an important role in promoting economic growth, creating new jobs, solving the employment problem, increasing the incomes and well-being of the population.

In 2017, more than 38.2 thousand small businesses (122 % more than in the same period last year) were created in the country in the year 2017 to support the comprehensive support and incentives for the development of small business and private entrepreneurship. The largest number of SMEs was established in the industrial sector (27 % of total enterprises), trade (21 %), agriculture, forestry and fisheries (13 %) and construction (10 %).

The expansion of small business and private entrepreneurship has been manifested by the increase in the share of other industries and sectors. This result is first of all the result of the ongoing reforms and continuous support of small business and private entrepreneurship in the state sector and is reflected in the growth of their share of GDP in the recent years.

In such a rapid development of small business and private entrepreneurship in the Republic of Uzbekistan, first of all, tax incentives for this sphere are highly encouraging. In this regard, in this case, it was 38 per cent in 1996 and 31 per cent in 2000. In 2016, it is clear that the single tax payment for small-scale industrial enterprises was set at 5 per cent in favor of stimulating and supporting state-owned small businesses and private entrepreneurship, while reducing the tax burden on individual entrepreneurs by an average of 1.3 times.

"Taxes," wrote D. Ricardo, "constitute part of the land and the labor of the government, and ultimately they are paid out of the capital or the income of the country" (Ricardo, 1955). It is necessary to emphasize the role of the financial system in the development of small business and private entrepreneurship. Small business and private entrepreneurship in the economy can be a major factor in applying new technologies and technologies used by large enterprises in small businesses, excluding some of the major costs of the enterprise. Small businesses and private entrepreneurship are able to provide more new goods to society than other large enterprises, and to broaden customer demand and adjust their business needs. Creating work in small enterprises also promotes effective recognition of the creative work of gifted cadres as well as their recognition in society.

It should be noted that the use of experienced professionals in small businesses and private entrepreneurship is a big plus for some large enterprises. The use of local raw materials, waste and labor potential is a good option for small beds. There has been a proven acceleration of the demand for market economy-driven capital ratios, three marathons in equity-
oriented businesses that are concentrated in small businesses.

Taxes have three functions: fiscal, distribution, and incentive functions. According to his opinion, the first function is related to the formation of sources of the state revenues, the second - the distribution of the income of legal entities and individuals. The incentive functions are achieved by giving different benefits and comforts (Malmigin, 1997).

Based on the above considerations, it can be said that as a result of the state policy of financial support for small business, employment and welfare of the population are provided in the country, and this sector is one of the main economic factors in ensuring macroeconomic stability. Small business is one of the sectors of the economy, which adapts to virtually all changes taking place in the investment climate.

For the purpose of determining the attractiveness of the investment climate in terms of small business, factors that reflect the economic situation in all countries and regions, how the investments in this sector of the economy are covered by laws and infrastructure, the level of market infrastructure in the region, the availability of skilled workforce, it is extremely important that the associated risks are present.

The rapid development of small business and private entrepreneurship in the country is currently being influenced by the establishment and maintenance of infrastructure facilities serving it. Currently, about 8,000 infrastructure companies in more than a dozen of the country's small businesses are providing services and activities. As a result, the results of small business and private entrepreneurship are becoming increasingly important in the country as an important factor in creating new jobs and increasing incomes and well-being of the population.

Measures to stimulate business have contributed to the emergence of new small businesses and microfirms and, most importantly, to creating new jobs. In 2017, more than 26 thousand new businesses and 222.1 thousand new jobs were created. As of January 1, 2018 the number of registered subjects was 229666 units (without farming and dehkan farms).

Increase in the number of small enterprises and micro firms exporting goods and services has contributed to the growth in exports. Compared with 2016, the number of businesses increased by 1310, mostly in industry (733), trade (329), and agriculture (162). The following information shows that small business and private entrepreneurship plays an important role in modernizing the national economy. The share of small business and private entrepreneurship in the sectors of the economy was 27.0 % (in January-December 2016 - 26.0 %), industry - 39.6 % (45.3 %) and services - 58.4 % (61.4 %), construction - 65.1 % (66.9 %) and employment rate - 78.3 % (78.2 %) (State Statistics Committee of the Republic of Uzbekistan, 2017). As it is seen, accelerated development of small business and private entrepreneurship in the country under global financial and economic crisis serves as an important factor for economic growth, creation of new jobs, increasing incomes and well-being of the population.

The main feature of small business and private entrepreneurship is that regional factors dominate in terms of its impact on investment attraction. Therefore, it is necessary to point out the need to conduct an analysis of the investment environment by sectors because positive investment factors have specific features for different industries. In some cases, the factors that can play a positive role in a network will be negative for the other network, or if there is enough indicator for a particular network, this may be quite a small measure for the successful development of the other network. In Uzbekistan, the investment environment for small entrepreneurship is of particular interest.

Some specific indicators for small business can be listed as follows:

- Regional indicator of development of the system and infrastructure of state support of small entrepreneurship.
Availability and degree of development of large firms competing for the emerging market sectors (e.g., services or trade).

Level of development of the local banking system and other factors.

Small businesses can only use some of the resources available to help them attract investment resources because of their peculiarities. For example, it should be noted that the opportunities for domestic entrepreneurs to invest in domestic entrepreneurship in small entrepreneurship are not at the level of large firms. Nevertheless, the use of these sources in small entrepreneurship has a significant effect and has many advantages over the efficiency of attractiveness. Thus, increasing the number of the most efficient sources of investment resources and increasing the efficiency of using existing resources is, at the moment, the most important task of the state support structures for small entrepreneurship.

An important feature of small business and private entrepreneurship is that the resources it receives in financial means are more efficient than large firms and have more efficient use when paying attention to financial resources. The reason for this is that, first of all, a small enterprise management framework is usually less conservative. This is a negative factor for the use of financial resources and a positive factor for the investment. Therefore, in the economy of the Republic of Uzbekistan, measures are being taken to create favorable conditions for the development of small business and private entrepreneurship and to improve the working environment. As of the most important directions, starting from January 1, 2015, small businesses and private entrepreneurship in all regions of the country will start operating Single Centers for Public Services under the "Single Window" Center, through which the property registration, simplification and acceleration of land parcels, construction and In order to increase the export potential of subjects of small business and private entrepreneurship, the organization of the war, and others. One of the priorities in support of small businesses is the provision of loans.

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In 2014, export of small businesses and private entrepreneurship amounted to 3661.9 million soums. The share of the US dollar in the total exports of the republic increased from 26.2% to 27.0% in the previous year, and in 2015 it reached 27.8%. In 2017, a total of 3588.5 mln. US dollars, which is 6.2% more than in 2015. The share of small business and private entrepreneurship in total imports of the republic was 44.5% (in 2014 - 45.4). As a result of the positive work undertaken in the country on the localization program, the total imports of small businesses and private entrepreneurship in 2017 decreased by 2.8% to 5655.9 million US dollars. US Dollars.
In the past year, Uzbekistan has risen to eight positions in the ranking of business entities, and 61 percent to taxation. According to the United Nations Development Program, Uzbekistan has become one of the top ten countries in the world in the past year on reforming business. In order to keep these gains at least in such a positive condition, further development of the sector is needed. First of all, it is desirable to use the timeframe set out in the search for, attracting, and reducing the time for production of financial investments and working with formal and regulatory documents. Because, as a rule, the aforementioned operations for a small enterprise without high-level professional financiers create additional difficulties. Hence, small businesses are interested in expanding their access to finance.

In this case, except for intellectual resources (technologies, know-how, trademarks, etc.), but in this area smaller enterprises do not have enough money to buy ready-made products, but it is better to invest in this ready-made product. In a number of countries implementing market reforms, leasing, franchising and toling are widely used in various forms of financial investment. Moreover, these forms are of great importance in existing and developed software and regulations of state support for small entrepreneurship.

The benefits of using various forms of financial investment are largely determined by the development of a specific regulatory framework that regulates the relationships that arise in such operations, with the development of appropriate market infrastructure. Implementation of the state policy ensuring favorable conditions for the development of private entrepreneurship and investment attraction in this area requires continual improvement of the institutional and legal system. The effective functioning of this system also requires that all elements of the system continuously interact and coordinate their work, with fewer repetitions of each other.

3. Conclusion and Recommendations

In this regard, in order to ensure accelerated development of entrepreneurship, comprehensive protection of private property and qualitative improvement of the business environment, a number of laws of the Republic of Uzbekistan have been amended and improved. This, in its turn, has led to the improvement of public administration in the development of legal framework for small business and private entrepreneurship. Also, state support for small business and private entrepreneurship in the conditions of market relations improvements will prevent the disruption of balanced and selective market mechanisms.

In conclusion, the consistent implementation of the processes of liberalization of all sectors and sectors of the economy by the government of the Republic of Uzbekistan and further development of small business and private entrepreneurship, as the priority direction of economic reforms, is aimed at ensuring economic growth in the country, is an important factor in raising the incomes and well-being of the population.

Where the role of local government bodies is important in the social protection of the population, they should not be neglected in the development of small businesses. Local authorities should take the lead in resolving the problem of supplying entrepreneurs with production facilities, service points, warehouses and shopping areas.

Various training courses, such as cooking, sewing, knitting, hairdressing, and other activities that are currently being created contribute to the development of private sector services. As a result of these courses in various regions of Uzbekistan, additional jobs are created. Hence, the development of small business and private entrepreneurship will ensure the sustainability of economic reforms.

For the purpose of determining the degree of attractiveness of an investment environment in terms of small business, factors affecting the economic situation in all countries and regions, investment in this sector of the economy, infrastructure, infrastructure, it is extremely important that the associated risks are present.
The main feature of small business and private entrepreneurship is that regional factors dominate in terms of its impact on investment attraction. Therefore, it is desirable to conduct an analysis of the investment environment by sectors because positive investment factors have specific features for different industries.

4. References

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