

DIRECTIONS FOR THE DEVELOPMENT OF SMALL BUSINESS AND ENTREPRENEURSHIP IN UZBEKISTAN

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ABSTRACT

This article describes the development of small business and entrepreneurship in Uzbekistan.

Keywords: small business, entrepreneurship, risk, economic well-being

INTRODUCTION

One of the main goals of building a socially oriented market economy in Uzbekistan is the priority development of small business and private entrepreneurship in the country. To achieve this goal, economic reforms have been carried out, and large institutional frameworks have been created to enhance its role. These include legal and regulatory documents governing the organization of entrepreneurial activity, non-governmental organizations and enterprises that assist entrepreneurs. The establishment of a complex of private entrepreneurship and small business in Uzbekistan is progressing successfully.

Small businesses can create jobs independently of the state, that is, without large capital investments, reduce the temporary shortage of goods that we currently have, and even eliminate this shortage completely. In today's society, it is necessary to direct the activities of small businesses to meet the needs of individuals. This is evident in the areas of consumer services and consumer goods. Small businesses also play an important role in introducing technology innovations.

The number of small enterprises in our country and the volume of their products is growing from year to year. Small enterprises are established on the basis of such laws of the Republic of Uzbekistan "On Enterprises", "On Property", "On Guarantees of Free Entrepreneurship", Presidential decrees, resolutions of the Cabinet of Ministers and other normative documents.

In the context of scientific and technological development, small businesses are increasingly finding their place in the transition of leading industries to new technologies. They demonstrate the basic connective quality of the whole system, which provides the work process with new ideas and improvements in production, the introduction of new information technologies.

Today, small business and private entrepreneurship operate in all sectors of the economy, in the production of machinery, consumer goods, agriculture and food, and other areas.

The products produced by small enterprises differ from those produced by state-owned enterprises in that they do not lag behind in quality and, in some cases, even surpass them. 60-70% of the activities of small business and private entrepreneurship in the country are directly related to production, they are farmers, peasants, industrialists and processors of agricultural products, and so on.

In order to form a class of owners on the basis of private entrepreneurship, rapid development of small business, to establish a system of relevant institutions, to attract favorable credit resources to small and private entrepreneurship and to create favorable conditions for foreign investment, the President of the Republic of Uzbekistan Decree of the President of the Republic of Uzbekistan dated August 30, 2003 PF-3305 "On amendments and additions to the Decree" On measures to further stimulate the development of small and medium business ". According to the Decree, the concept of "medium enterprises" was abolished and from January 1, 2004 the following are small businesses:

individual entrepreneurs;

micro-firms with an average annual number of employees in the manufacturing sector not exceeding 20 people, in the service sector and other non-manufacturing sectors not more than 10 people, in the wholesale, retail and catering sectors.

The average annual number of employees employed in the following sectors:

- in the light and food industries, metalworking and instrumentation, woodworking and furniture industry and building materials industry - 100 people;
- in the field of mechanical engineering, metallurgy, fuel and energy and chemical industry, production and processing of agricultural products, construction and other industries - from 50 people;
- small enterprises in the field of science, scientific services, transport, communications, services (except for insurance companies), trade and catering and other non-manufacturing sectors - no more than 25 people.

Small businesses have a number of advantages over large companies in that they adapt quickly to market conditions and ensure that their products are successfully marketed. This is due to the fact that small businesses are quickly adapting their activities to narrow production programs, advanced technology, production of low-demand science-intensive products, and quickly master the basics of the market.

According to the forms of ownership, the following types of small enterprises can be distinguished:

1. Small enterprises based on state property.
2. Small businesses based on community ownership.
3. Individual small enterprises based on the property of citizens.
4. Leasing companies.
5. Small joint ventures.

In 2009, the number of enterprises engaged in entrepreneurship and its small business in the country exceeded 400,000. Their share in GDP is 50.1%. 392,000 new jobs have been created due to the development of entrepreneurship.

An analysis of the activities of small businesses shows that they are developing particularly rapidly in the agricultural sector. In 2009, their number exceeded 100,000. The main share of agricultural producers is farms, the number of which has increased 4 times compared to 2000. Today, more than 1 million people are employed on farms of the country, and in 2009 66% of raw cotton and more than 55% of grain were grown by farms.

The number of small businesses in the country has been steadily increasing in all sectors of the economy, including transport, communications, healthcare and other non-manufacturing sectors.

Small business and private entrepreneurship are also gradually developing in the field of foreign economic activity. Its share in total exports in 2009 was 14.7%. The main exports of small businesses are agricultural, textile, processing, electrical products and folk arts and crafts.

The above analysis shows that in recent years in the Republic of Uzbekistan, enterprises engaged in private entrepreneurship, small business are being established in all sectors of the economy. At the same time, the role and importance of small businesses in the economy is growing. The role of private entrepreneurship and small business in the development of the national economy is characterized by:

- Private entrepreneurship provides the necessary speed in a market economy, creates deep specialization and branched cooperation in production, without which high efficiency can not be ensured;
- creates the necessary competitive environment for the market and is characterized by the ability to quickly change the type of production in response to changing market demand;
- is able to quickly fill the gap in the consumer sector and very quickly recoup the investment made using the latest machine equipment and technology.

The characteristics of small business and private enterprise (small working capital, its rapid turnover, the ability to quickly replace the means of production, etc.) allow it to have several advantages:

- research, development and development of new products, their production in small associations, taking into account the risk of rapid changes in demand;
- reliability of fast technical service and strong communication with customers;
- flexible organization of production and sales in accordance with market requirements and changes in market conditions;
- absorption of excess labor;
- Simplicity of management, lack of large administrative apparatus, short time in the development of construction and design capacity, rapid payback of capital expenditures, high speed of capital turnover;
- fuller and more efficient use of raw materials and labor resources, production waste.

Small business and private entrepreneurship and everything connected with it are an important and integral part of the organizational structure of modern social production. Therefore, small business and private entrepreneurship play an important role in the development of the state economy and are supported by the state.

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- the introduction of free labor resources, new economic relations, the emergence of new forms of ownership, greater involvement of people released in production in social production, the emergence of new forms of ownership;
- raising the material, spiritual and professional level of the population, especially youth;

- Bringing industrial production closer to residential areas, taking into account the low mobility of the population, and more fully meet the needs of the population in consumer goods;
- Restoration of national and artistic crafts, as well as assistance in the development of small and medium-sized cities, rural settlements, in general, increase the efficiency of the economy, which is very important for each region.

While acknowledging the positive role of small business and private entrepreneurship in the development of the economy, it is also incorrect to overestimate its importance. Private entrepreneurship can be active only to a certain extent, so it is necessary to create the necessary conditions for the development of small business. To do this, in our opinion, it is necessary to establish financial funds. These funds should be a guarantee for entrepreneurs to obtain soft loans in commercial banks, and serve as a source of subsidies, including non-repayable subsidies (for the development of enterprises in certain priority sectors of the economy).

Improving the system of financial support for small businesses in Uzbekistan should be aimed at stimulating the activities of banks, foundations, investments and insurance companies that serve small business and private entrepreneurship. In the Republic of Uzbekistan, as well as in foreign countries, the company can receive soft loans if it participates in the priority state program (creation of new equipment, development of remote areas, etc.). At the same time, the minimum interest rate and long-term repayment are the main conditions for lending.

The activities of small businesses are greatly affected by a variety of unpredictable risks, sudden changes in the situation, the inability of customers to pay, natural disasters put them in a precarious position. Therefore, the insurance system in developed countries is well established. It is necessary to establish insurance in our country as well. This system should ensure a favorable environment for the development of small businesses (especially in areas with high commercial risks), create confidence and the necessary stability for entrepreneurs who start their own business with the risk of own or borrowed capital.

Deepening economic reforms, development of small business and private entrepreneurship is one of the main directions of economic reforms in the country. This requires the development of economic competition, filling the consumer market with goods and services, as well as the creation of a wide range of private entrepreneurs. With this in mind, today the Republic needs to address the following issues:

- Involvement of the general population in market activities, elimination of their dependence, consumer psychology, arousal of the population's desire to actively engage in private entrepreneurship, small business;
- radical renewal of economic relations in agriculture, further development and increase in the number of farmers and farms, the creation of small businesses in the regions to provide additional jobs for the temporarily unemployed;
- acceleration of market relations and infrastructure in the region, creation of conditions for the development of economic competition;

- creation of economic and social conditions that will fully meet the growing needs of the population of the republic;
- dramatically increase the range and scope of services provided, ensure a high level of organization of banking, auditing, consulting and various intermediary activities on the basis of modern science and technology;
- Improving the efficiency of management of enterprises, creating conditions for their economic independence;
- Introduction of small enterprises that can produce goods for export, filling the consumer market with goods that can easily adapt the types and volume of products produced locally to market requirements.

It is known that 65.3% of the able-bodied population in the country live in rural areas. This shows that there are huge opportunities for the development of entrepreneurship in rural areas. In addition, the redundant labor force engaged in agricultural production needs to be redistributed into service, processing, and similar activities. Addressing organizational and economic issues at various levels of government related to the development of entrepreneurship in rural areas, its small businesses is one of the priorities.

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