



Small Business as the Main Driver of Economic Development

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ABSTRACT

This article talks about how to further reform and stabilize small business and private entrepreneurship in the Republic of Uzbekistan, the growth of private enterprises today, and the level of small business potential.

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Introduction:

The role of small business and private entrepreneurship in the socio-economic development of the country is significant.

Small business and private entrepreneurship is one of the important drivers of economic development, increasing employment and incomes of the population. In order to support the subjects of this sphere in recent years, more than 50 decrees and resolutions of the President of the Republic of Uzbekistan have been adopted.

Since the first years of Uzbekistan's independence, great attention has been paid to the development of a

legislative and legal framework, the organization of financial support, the protection of the rights of entrepreneurs, the training and retraining of personnel, the development of market infrastructure serving small businesses.

This means that in the total mass of goods produced and services rendered in all sectors (trade, construction, industry, etc.) in one year, a certain part, in this case more than half, was produced by precisely those small firms and enterprises.

Analysis of the relevant literature:

One of the main goals of establishing 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 were carried out, and large institutional foundations were created to increase its role. These include the organization of business activities and the legal and regulatory documents that guarantee it, non-governmental organizations and enterprises that help entrepreneurs. The establishment of a complex of private entrepreneurship and small business enterprises in Uzbekistan is progressing successfully. Enterprises engaged in small business activities independently of the state, that is, without large capital expenditures, can introduce jobs themselves, reduce the shortage of temporarily available goods, and even eliminate this shortage completely. they can harden. In our current society, it is necessary to direct the activities of small enterprises to meet the needs of some people. This is clearly visible in the spheres of household services and production of consumer goods. Small businesses are also important in introducing technological innovations.

Some theoretical and practical aspects of small business problems are highlighted in the scientific works of foreign economists K. D. Campbell, John Burges, Dan Steinhoff, H. Shvalbe, E. A. Utkin, M. M. Maksimov, V. Ya. Gorfinkel. Economists S.S. Gulomov, Yo.A.Abdullaev, V.B.Berkinov, B.Yu.Khodiev and others are dealing with the theoretical problems of development and expansion of small business and private entrepreneurship in our country.

Research methodology

Small business and private entrepreneurship is an important factor in the development of the economy, increasing the employment and income of the population. More than fifty presidential decrees and decisions were adopted in the last two and a half years in order to support the representatives of this field from all sides. In particular, the procedures for state registration of business activities, obtaining various permits and many other services have been simplified. To facilitate this, the State Services Agency and its local centers have been established. The position of business ombudsman (business ombudsman) was introduced. Reception offices of the Prime Minister were established in all regions, which receive and help solve businessmen's appeals. Under the Cabinet of Ministers, the activity of the State Fund to Support the Development of Entrepreneurship was launched, and 200 billion soums and 50 million dollars were allocated to it. At the same time, the volume of loans allocated to entrepreneurs by commercial banks has increased. Such practical measures are bearing fruit. Small business provides about 60% of the gross domestic product of our country, one third of the volume of industrial products, 98% of agricultural products, and half of investments. In many regions, 70-90 percent of exports fall on small businesses.

The main goal of Uzbekistan's economic reforms is to build a strong democratic legal state and civil society with an open foreign policy, a stable socially oriented market economy. In the republic, market reforms are being carried out strictly and consistently. For this reason, the following conditions have been created for the development of small business and private entrepreneurship in our Republic:

1. 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.
2. The single tax payment rate, which is an important factor in creating favorable conditions for the development of small businesses in almost all industries, 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%.
3. Newly established production enterprises with participation of foreign investment are given the right to apply the rate of taxes and compulsory payments on the day of their registration for five years. Starting from 2018, it was decided that small enterprises with a land area of more than 1 hectare will pay a single land tax.
4. Financial support of small businesses is implemented in the following ways: granting loans by banks at preferential rates; guarantee of 50% of the loan funds of the state fund for business support and compensation of interest costs calculated on commercial bank loans.
5. Business interests are protected by the institution responsible for protecting the rights and legal interests of business entities. In Uzbekistan, unscheduled inspections of small business entities have been canceled, and business entities for the first financial and economic offense have been exempted from all types of administrative fines.
6. 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" have been established for subjects who are just starting their business activities to draw up their business plans, provide legal and practical support, as well as receive the necessary information for their activities.
7. 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 zero rent for a period of 5 years.

At the same time, we should emphasize the problems that prevent small businesses from fully realizing their potential. In small business, more than 62% of employees are employed in sole proprietorships, while only 16% are employed in small enterprises and micro-enterprises. 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 employees are employed in agriculture, 12.7% in industry, 11.6% in construction, 13.4% in trade, and 28.1% in services.

Analysis and results

As it can be seen from the analysis of the above points in the section of industries, we can see a relatively low level position of small business in the industrial industry, where the efficiency of job creation is high compared to other industries. The preservation of 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. In addition, the share of the number of small business entities in trade remains at a high level. 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.

According to the State Committee of Uzbekistan On Statistics, the share of small businesses in GDP decreased from 55.2% to 50.2% the reason of by the increase in the share of large enterprises in the structure of GDP. Nevertheless, the share is much greater than in the most of neighboring countries such as Kazakhstan 25,6% and Russia 20%. In January-September 2018. In the regional context, the largest share of small business in the GRP is accounted for by Jizzakh (77.2%), Surkhandarya (74.1%), Bukhara (71.1%), Samarkand (70.7%) and Namangan (69, 7%) of the area. In the Navoi region, this indicator remains low at 32.6% and in the Republic of Karakalpakstan - 48.3%. Also the largest share of small business in industrial production is in Tashkent (71.6%), Namangan (69.7%) and Jizzakh (60.8%) regions. In construction - in Samarkand (98.3%), Jizzakh (97.0%), Andijan (96.5%) and Syrdarin (95.4%) regions. In the services sector - in Tashkent (74.3%), Samarkand (74.1%), Fergana (73.5%), Bukhara (73.2%), Surkhandarya (73.1%), Andijan (72.4 %) areas.

Conclusions and suggestions

Summing up, it is necessary to increase the contribution of small businesses to the country's economy, create small industrial zones, improve the investment and competitive environment, expand public procurement through public-private partnerships with small businesses and cooperation between large and small enterprises. We see the strengthening of mutually beneficial cooperation and the involvement of business entities in innovation processes. It is also worth noting that it is important to provide financial support to successful and promising small businesses that have sufficient export potential, but at the same time do not have sufficient capital for further development. These measures contribute to the creation of more jobs in the field of efficient small business, expanding access to the world market, increasing the country's export potential and increasing the income of the population.

In a word, the development of entrepreneurship and small business in our country remains today one of the most priority areas of state policy. According to President Shavkat Mirziyoyev, only through active entrepreneurship, tireless work and aspiration can we achieve development and a prosperous life.

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