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DOING BUSINESS 2017: EQUAL OPPORTUNITY FOR ALL AS A VECTOR OF REGULATION OF THE BUSINESS ENVIRONMENT

«ВЕДЕНИЕ БИЗНЕСА 2017: РАВНЫЕ ВОЗМОЖНОСТИ ДЛЯ ВСЕХ» КАК ВЕКТОР РЕГУЛИРОВАНИЯ ДЕЛОВОЙ СРЕДЫ

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Abstract. The article analyzes small entrepreneurship as one of the leading sectors of economy, determines rate of economic growth, conditions of employment of population, structure and quality of GDP.

Purpose. To study the current state of business climate for entities of small and private entrepreneurship; to analyze the existing range of problems in the sphere of effective state regulation of business activity in the country; to conduct a detailed analysis of structure and dynamics of the World Bank report ranking of Doing Business 2017: equal opportunity for all in conditions of the Republic of Uzbekistan in two years.

Methodology. Observational, statistical analysis and purposeful monitoring of the leading ranking organizations of a business climate for small entrepreneurship were used. Various criteria influencing conditions of institutional and entrepreneurial environments were analyzed.

Results. Development of small business is responsible to global trends of formation of flexible competitive economy, combination of different forms of ownership and their appropriate economic model in which difficult synthesis of a competitive market mechanism and state regulation of small and large business has been implemented. Therefore, author made attempt to study problems of effective regulation of small entrepreneurship, institutional ensuring business activity in the Republic of Uzbekistan and interaction of business with the government and institutional players of market.

Conclusions. Based on detailed studying of the international ranking institutions and inspections of the entrepreneurial environment Doing Business 2017 on the example of Uzbekistan, the author makes proposals on enhancement of entrepreneurship development and improvement of business climate in the country.

Anнотация. В статье исследуется малое предпринимательство, являющееся одним из ведущих секторов экономики стран, и во многом определяющее темп экономического роста, состояние занятости населения, структуру и качество ВВП.

Цель и задачи. Изучить современное состояние делового климата для субъектов малого и частного предпринимательства. Проанализировать имеющийся спектр проблем эффективного государственного регулирования предпринимательской деятельности в стране. Провести детальный анализ структуры и динамику показателей ренкинга доклада
Всемирного банка «Ведение бизнеса 2017: равные возможности для всех» в условиях Республики Узбекистан за два года.

Методология. В работе при помощи наблюдений, статистического анализа и целенаправленного мониторинга ведущих ренкингов делового климата для малого предпринимательства проанализированы различные критерии, влияющие на состояние институциональной и предпринимательской сред.

Результаты. Доказано, что развитие малого предпринимательства отвечает общемировым тенденциям к формированию гибкой конкурентоспособной экономики, сочетанию разных форм собственности и адекватной им модели хозяйственности, в которой реализуется сложный синтез конкурентного рыночного механизма и государственно-регулирующего фактора. На основе этого, автором сделана попытка изучить проблемы эффективного регулирования малого предпринимательства, институционального обеспечения предпринимательской деятельности в Республике Узбекистан, взаимодействие бизнеса с государственной властью и другими институтами рынка.

Выводы / значимость. На основании детального изучения международных рейтингов и обследований предпринимательской среды Doing Business 2017 на примере Узбекистана, автором выдвигаются конкретные предложения по совершенствованию института предпринимательства и улучшения делового климата в стране.

**Keywords:** business, institutional environment, competitive conditions, small business, international rating.

**Ключевые слова:** ведение бизнеса, институциональная среда, конкурентные условия, малый бизнес, международный рейтинг.

In modern world, small business is an integral part of a competitive market system, without which the economy and society will not be able to develop steadily. Under the current conditions small business stands as one of the drivers of economic, scientific and technical progress as the main employer in almost all sectors of the economy [1].

As a result of successful reforms in the Republic of Uzbekistan, small business plays a key role in the modernization of the national economy [2]. Modern small business in Uzbekistan is considered as a target group of the reforms and as a driving force of transformation in socio-economic and socio-political spheres. Currently business activities are carried out through market infrastructure institutions as a set of interrelated systems of engineering and technology, information and production and organizational structures [3–4]. It allows to carry out a full business cycle — from the initial idea to the final practical implementation in the form of goods or services. For the successful operation entrepreneurial institutional system should also have a favorable regulatory framework and efficient system of taking products to the open markets [5]. Hence, the problem of forming institutional infrastructure is one of the most serious and relevant problems [6, 16]. At the same time, all the components of the institutional business infrastructure like: interaction with the government and financial institutions, availability of technology and production capacity, transparency and accessibility of information do not meet the strict competitive market conditions and do not provide the growth of economic efficiency of business activities. The situation is also aggravated by major regional differences in the institutional support of entrepreneurship [1, 16–17].

Traditional measurements of the effectiveness of regulation of small and private business (SPB) are quantitative indicators such as the proportion of SPB entities in the gross domestic product (GDP), as well as the number of employed people in the SPB [7–8]. So, based on the State Statistics Committee of the Republic of Uzbekistan, the proportion of subjects of SPB deposit in
Uzbekistan’s GDP was 35.0% in 2003, and has been increased by 56.7% in 2015. The number of employed in SPB as of October 1, 2016 was more than 77.8% of economically active population (The data of State Statistics Committee of Uzbekistan: http://stat.uz/ru/press-sluzhba/novostigks/1446-zanyatost-i-rynok-truda-2).

It is well known that in developed countries this figure is much higher. For example, in Japan the proportion of SB in the country’s GDP is about 63% in the US — 62%, in Malaysia — 47%, and for example, in Russia — 21% (News: Economy: http://www.vestifinance.ru/infographics/5337).

According to the EU Statistical Agency (Statistics on small and medium-sized enterprises. Dependent and independent SMEs and large enterprises: http://ec.europa.eu/eurostat/statistics-explained/index.php/Statistics_on_small_and_medium-sized_enterprises) the share of enterprises with less than 250 employees was accounted for about 58% of the total GDP of the EU, while the share of such business entities by total number of operating companies in Europe was 99.8%, and all these companies gave 66.9% of employment of the total working population of the EU (European Commission Key figures on European business — with a special feature on SMEs. Luxembourg: Publications Office of the European Union, 2012).

However, with the structure similar to Uzbekistan economy, only these quantitative indices aren’t capable to give an objective evaluation to the effectiveness of the creation and development of SPB in the country. Therefore, completely different system of evaluation of business environment in the country is necessary [9].

Regarding the practical evaluation of the effectiveness of institutions, significant role of international organizations should be noted. They are conducting large-scale cross-country studies, which are developed on the basis of a variety of institutional quality ratings [10–12]. Among the main tools of institutional environment analysis in the economic and business environment following surveys can be highlighted: Business Environment and Enterprise Performance Survey (BEEPs), conducted jointly by the World Bank and the European Bank for Reconstruction and Development; competitiveness survey of the World Bank Investment Climate Assessment (ICA) and the study conducted by the World Bank and the International Finance Corporation Doing Business; reviews of competitiveness of World Economic Forum; quality assessment of political institutions and public administration, conducted by the World Bank under the supervision of Kaufman; International corruption perception index of Transparency International; analysis of political institutions in Policy IV index; various measuring instruments of freedom, including freedom of the press, Freedom House and others [13–14]. All of these tools are constantly being improved and include a wider range of variables that measure not just the quality of individual institutions, but also the overall quality of business environment.

In Uzbekistan, practical study of the institutional environment is carried out both in the scientific community (Center for Economic Research, the Research Centre at the State Economic University of Tashkent) and business associations (Chamber of Commerce, Association of Banks of Uzbekistan, Business Women Association of Uzbekistan) [8, 14].

In order to radically improve business environment, create the most possible favorable conditions for doing business, reduce, simplify and improve transparency of all procedures related to the activities of enterprises, implement internationally accepted criteria of evaluation system of the business environment. Based on previously mentioned data continue improving international rating level of business and investment climate in Uzbekistan under the Presidential decree UP–№4455 About measures for further cardinal improvement of a business environment and provision of bigger freedom to an entrepreneurship (On measures for further cardinal improvement of the business environment and providing greater freedom to entrepreneurship. Decree of the President of the Republic of Uzbekistan from July 18, 2012, number UP-4455. Collection of legislation of the Republic of Uzbekistan, 2012, number 29, Art. 328; 2013, number 36, Art. 477), which was accepted on July 18, 2012.
According to the resolution, adopted by Ministry of Finance, Central Bank in cooperation with relevant departments and agencies, in accordance with the World Bank and its subsidiary International Finance Corporation, and Doing Business 2017: Equal Opportunities for All extensive work has been carried out on the factor analysis of business environment and introduction of evaluation criteria and indicators that define the country rating. The government set strategic task of improving country’s rating according to standards of Doing Business (Collection of legislation of the Republic of Uzbekistan, 2012, no. 29, Art. 328; 2013, no. 36, Art. 477).

Data and the ratings of Doing Business (DB) are being updated annually and being published in the report, and on the website http://doingbusiness.org. The data reflects the situation as of June 1 of the relevant year of publication and can be reviewed when new information becomes available. Review may also apply to previously published reports to ensure data consistency.


DB2017 became fourteenth in the series of the leading annual publication of the World Bank Group, which assesses standards that promotes expansion of business activities, as well as rules which limits those activities. Doing Business represents quantitative indicators on business regulations and protection of property rights that can be compared across 190 within the last 14 years.

The DB project is devoted to activities of national small and medium scale enterprises and evaluation of regulations governing its activities throughout the life cycle. Research methodology in the Business project and standard model of cost analysis are the unique standard tools used in different countries to impact assessment of rule–making on activities of the entities. Project DB2017 analyzes legal rules which are applicable to private enterprises for 11 areas of their life cycle. This year ten of those areas were included in the cumulative rating of favorable conditions for doing business. These are: Creation of businesses, Dealing with Construction Permits, Connection to the power supply, Property Registration, Obtaining Credit, Protection of Minoritarian Shareholders, Taxation, International Trade, guaranteed contract performance, Insolvency Resolution. DB2017 also measures Regulation of the labor market, indicator which has not been included in rating this year (Doing Business 2017: Equal Opportunity for All. Washington, 2016; Doing Business 2016. Washington, 2015).

Let us consider only a few productive indicators of DB2017:

– Detailed analysis of project DB2017 showed that businesses in 137 countries have noted a significant improvement of legislation in the past year. From June 2015 to July 2016, governments led 283 reforms in sphere of business regulation. Among the reforms aimed at simplifying and reducing the cost of compliance, in 2015–2016 the most frequent reforms were to simplify the procedure Setting up an enterprise. The next most popular were reforms in the sphere Taxation, Getting Credit and International Trade.

– Bahrain, Belarus, Brunei Darussalam, Cambodia, Georgia, Indonesia, Kazakhstan, Kenya, the United Arab Emirates, Pakistan and Serbia are among the countries that achieved the best results of the project to improve the DB indicators. In sum, these countries, which are leaders in the degree of improvement, carried out 48 regulatory reforms aimed at improving the business environment.

– In general, all countries are carrying out reforms aimed at improving the business climate, but Europe and Central Asia are the regions with the highest number of countries that have implemented at least one reform — 96% of the countries in these regions have implemented at least one regulatory reform.

– Project DB2017 expanded indicator of Taxation. Now it covers the processes after filing reports and payment of taxes, including tax refund, tax audits and appeals on administrative taxes.
– The report also includes six case studies in the areas of Protection of minoritarian shareholders, International Trade, Taxation, Connection to power supply system, Getting Credit: legal rights, Getting credit: credit information, as well as applications on Public procurement and labor market regulation.


According to the World Bank report Doing Business 2017: evaluation of the quality and effectiveness of the regulation, Uzbekistan entered top hundred countries in such areas like enforcement of contracts (38), loans (44), protection of minoritarian shareholders (70), registering property (75) and connection to power grids (83) (Table 1).

**Table 1.**

<table>
<thead>
<tr>
<th>Name of an indicator</th>
<th>DB 2017 Rating</th>
<th>DB 2016 Rating</th>
<th>Change in rating</th>
<th>DB 2017 increase (% pp.)</th>
<th>DB 2016 PP (%)</th>
<th>Change in an indicator of the Advanced boundary (% pp.)**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The general index in rating</td>
<td>87</td>
<td>82</td>
<td>↓ 5</td>
<td>63.03</td>
<td>62.68</td>
<td>↑ 0.35</td>
</tr>
<tr>
<td>Registration of the enterprises</td>
<td>25</td>
<td>23</td>
<td>↓ 2</td>
<td>93.93</td>
<td>93.91</td>
<td>↑ 0.02</td>
</tr>
<tr>
<td>Obtaining construction licenses</td>
<td>147</td>
<td>147</td>
<td>—</td>
<td>59.79</td>
<td>59.58</td>
<td>↑ 0.21</td>
</tr>
<tr>
<td>Connection to system of power supply</td>
<td>83</td>
<td>78</td>
<td>↓ 5</td>
<td>71.81</td>
<td>71.32</td>
<td>↑ 0.49</td>
</tr>
<tr>
<td>Registration of property</td>
<td>75</td>
<td>81</td>
<td>↑ 6</td>
<td>66.23</td>
<td>65.25</td>
<td>↑ 0.98</td>
</tr>
<tr>
<td>Receiving credits</td>
<td>44</td>
<td>42</td>
<td>↓ 2</td>
<td>65.00</td>
<td>65.00</td>
<td>—</td>
</tr>
<tr>
<td>Protection of minoritarian investors</td>
<td>70</td>
<td>78</td>
<td>↑ 8</td>
<td>56.67</td>
<td>55.00</td>
<td>↑ 1.67</td>
</tr>
<tr>
<td>Taxation</td>
<td>138</td>
<td>139</td>
<td>↑ 1</td>
<td>59.06</td>
<td>57.96</td>
<td>↑ 1.10</td>
</tr>
<tr>
<td>International trade</td>
<td>165</td>
<td>166</td>
<td>↑ 1</td>
<td>44.31</td>
<td>44.31</td>
<td>—</td>
</tr>
<tr>
<td>Ensuring performance of contracts</td>
<td>38</td>
<td>37</td>
<td>↓ 1</td>
<td>67.26</td>
<td>67.26</td>
<td>—</td>
</tr>
<tr>
<td>Permission of insolvency</td>
<td>77</td>
<td>72</td>
<td>↓ 5</td>
<td>46.29</td>
<td>47.24</td>
<td>—</td>
</tr>
</tbody>
</table>

* Source: Developed by the author based on the aggregation of data for Uzbekistan based on the report Doing Business 2017: Equal Opportunity for All.

** Note: This parameter allows to track remoteness of each country from the “forward line” — which means from the best result of each of the indicators of Doing Business — for all countries included in the survey Doing Business from the outset of the inclusion of each of the indicators in the study Doing Business. Distance from each country’s “forward line” is measured on a scale from 0 to 100, where 0 is the worst result, and 100 represents “advanced frontier”.  

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At the same time the position of Uzbekistan has been increased up to 5 out of 10 indicators report. So, considerable improvement is noted on registration of the entity (25th place, +17 line items), this change was promoted thanks to practical implementation of the simplified order of the state registration through the Internet and enhancement of the “one window” system in case of registration of subjects of an entrepreneurship.

In addition, the rating of the country on registration of property has been improved significantly (the 75th place, +12 line items) as starting from January 1, 2016, center activities for the provision of public services to businesses “one window” has started functioning, and significant improvement in the electronic exchange system of information between the competent authorities without the involvement of the applicants has been made.

Since the beginning of 2016 in all regions and cities of the country “one–window” centers have started to operate, which currently provide such public services as the registration of entrepreneurs, land rights, connection to the engineering and communication networks, issuance of building permits, renewal of residential premises in non–residential category and issuance of other documents. Over the past period of “one window” centers more than 76 thousand of civil services were provided to entrepreneurs [4].

As a result of provision of public services on the principle of “one window” it is prohibited for public entities to demand documents and information available in other government agencies and organizations, including the certificate of absence of tax arrears or arrears of utility bills from business entities, as well as copies of constituent documents, licenses and other permit documents.

As a result of adopted procedures to radically simplify the business creation procedures in recent years it takes less time in Uzbekistan to start a business. So, comparatively it takes less by 1.8 times in Switzerland, 1.9 times in Germany, 2 times in Japan and Russia, 2.2 times in Israel, by 2.3 times in Greece and Spain, 4.7 times in India, 5.5 times in China, and 14.5 times in Brazil.

Significant improvement in the rating of our country is also noted on the connection to power grids (83th place, +29 positions), which is associated with increase in the reliability of supply and the transparency of tariffs of electricity.

Large–scale reforms on the sphere of introduction of modern corporate governance, enhancing the role and rights of private shareholders allowed to significantly improve the rating of our country on the indicator “protection of minoritarian investors” (70th place, +18 positions). Improvement of rankings was facilitated by the introduction of new norms and mechanisms aimed at strengthening protection of minoritarian investors by improving disclosure of information on joint stock companies, specifying the structure of ownership of share capital.

Thanks to ongoing reforms, the transparency of land, building permits, registration of cadastral documentation has been significantly simplified and improved. As a result, in the rating of DB2017 Uzbekistan was among 17 countries of the world which improved quality of land administration in 2015–2016. Consecutive enhancement of the legislation in the field of building permits and implementation of a new transparent mechanism for allocation of land plots on the basis of the competition helped to improve the country's rating in this direction (the 147th place, +4 positions).

The analysis shows that the tax burden was 38.1%, which is significantly lower than in countries such as the USA, Germany, France, Italy, Austria, Czech Republic, Spain, Greece, Japan, China, India, Russia and some other.

According to the DB survey, from 2006 to 2017, in Uzbekistan a total amount of 27 reforms were carried out which have had a positive impact on the business.

First place in the rating of DB2017 in the world was taken by New Zealand, having displaced the leader of the last 10 years Singapore. On the third place — Denmark, the fourth — Hong Kong, which is the Special administrative area of the People’s Republic of China, the fifth — the Republic of Korea, sixth — Norway, the seventh — Great Britain, the eighth — the USA, the ninth — Sweden and the tenth place Macedonia.
On Table 2 we would like to review The ranking of DB2017 by the countries of the former Soviet Union.

Table 2. THE RANKING OF THE COUNTRIES OF THE FORMER SOVIET UNION IN THE REPORT DOING BUSINESS 2017: EQUAL OPPORTUNITY FOR ALL.

<table>
<thead>
<tr>
<th>№</th>
<th>Country</th>
<th>The place in the ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Estonia</td>
<td>12</td>
</tr>
<tr>
<td>2.</td>
<td>Latvia</td>
<td>14</td>
</tr>
<tr>
<td>3.</td>
<td>Georgia</td>
<td>16</td>
</tr>
<tr>
<td>4.</td>
<td>Lithuania</td>
<td>21</td>
</tr>
<tr>
<td>5.</td>
<td>Kazakhstan</td>
<td>35</td>
</tr>
<tr>
<td>6.</td>
<td>Belarus</td>
<td>37</td>
</tr>
<tr>
<td>7.</td>
<td>Armenia</td>
<td>38</td>
</tr>
<tr>
<td>8.</td>
<td>Russia</td>
<td>40</td>
</tr>
<tr>
<td>9.</td>
<td>Moldova</td>
<td>44</td>
</tr>
<tr>
<td>10.</td>
<td>Azerbaijan</td>
<td>65</td>
</tr>
<tr>
<td>11.</td>
<td>Kyrgyzstan</td>
<td>75</td>
</tr>
<tr>
<td>12.</td>
<td>Ukraine</td>
<td>80</td>
</tr>
<tr>
<td>13.</td>
<td>Uzbekistan</td>
<td>87</td>
</tr>
<tr>
<td>14.</td>
<td>Tajikistan</td>
<td>128</td>
</tr>
<tr>
<td>15.</td>
<td>Turkmenistan</td>
<td>—</td>
</tr>
</tbody>
</table>

Analyzing the causes of change in Uzbekistan’s rating, number of factors should be highlighted, which are characterized by the adoption of legal acts, improving or liberalizing many procedures which are related to business activities and interaction with public authorities and institutions.

Business reforms in Uzbekistan

**DB2016:**

**Beginning business:** Uzbekistan implemented practice of the beginning of business by introduction of online “one window” which optimize procedures of registration.

**Registration of property:** Uzbekistan has simplified procedure of transferring property, eliminating the requirement of having number of different certifications, however it also increased the costs related to transfer of property.

**Receipt of the credit:** Uzbekistan simplified access to the credits, by adoption of new laws on secure transactions.

**Relations with fiscal bodies:** The government has set the rule that all tax and statistical accounts are given in electronic form through the Internet.

**DB2015:**

**Beginning business:** Based on a single service call center Uzbektelecom and round the clock system “helpline” to Prosecutor General’s Office receiving complaints from business bodies for undue interference in their activities of government, law enforcement and regulatory authorities, obstruction of business and violation of property rights was implemented; thanks to the introduction of electronic forms of communication between government and business entities in 2015, 42.8 thousand business entities were registered via the Internet on a single portal of interactive public services that ensures access to 260 different types of interactive services.

**Investor protection:** Uzbekistan has strengthened protection of investors by: introducing requirements for the publicity of the financial statements of joint stock companies to disclose
information on transactions; setting higher standards for corporate governance; establishing the rights of shareholders to receive all documents related to financial transactions.

**International trade:** The Uzbek government has reduced the timeframe for completion of required procedures for the implementation of export–import operations, including the implementation of information systems that allow to apply and process the relevant documents on the basis of the web interface. Along with the cancellation of procedures for registration of foreign trade contracts in authorized banks business entities are able to submit electronic data for these contracts to the Unified electronic information system of foreign trade operations through a Single portal of interactive public services with the use of electronic digital signature. The presidential decree of the Republic of Uzbekistan No. 4725 of May 15, 2015, About measures for ensuring reliable protection of a private property, small business and a private entrepreneurship, removal of barriers to accelerate development also played a significant role in change of the place of Uzbekistan in a research of the World Bank (Collection of legislation of the Republic of Uzbekistan, 2015, no. 20, Art. 251); enhancement of customs procedures became another important point in the program of reforms directed to liberalization of business activities. In particular, Uzbekistan reduced the number of the documents requested by customs authorities and also simplified process of their submitting and obtaining documents.

At the same time, it should be noted that the launched reforms on improvement of the business climate, increasing the investment attractiveness and the international rating of the country are being implemented steadily.

Thus, adopted on October 5, 2016 Presidential decree On additional measures to ensure the rapid development of business, all-round protection of private property and the qualitative improvement of the business climate (Collection of legislation of the Republic of Uzbekistan, 2016, no. 40, Art. 467) enshrines “provision of greater freedom to small businesses and private enterprise, radical reduction of interference in their activities with a concentration of efforts on early stage of development, prevention and improving the effectiveness of prevention of crime” as a top priority and the primary task of government bodies, indicates the transition at a qualitatively new level of state policy in this sphere.

This Program provides specific measures designed to further simplification and price reduction of doing business, improving the system of licensing procedures and increasing transparency of public services, which will continue to improve the rating of Uzbekistan in the World Bank report Doing Business 2018.

Conducted analysis in international and domestic surveys shows that the following points are typical problems of business environment in Uzbekistan: poor quality of bureaucracy procedures; difficult access to economic resources; discrepancy to the competitive conditions of the financial market players; over–regulation of foreign economic relations; inefficient business closing procedures.

In order to solve the above mentioned problems further improvement of basic functions of the state in regulating the institutional business environment is needed: improving the coordination functions of the state, which includes:

– expansion practice of development and adoption of laws of direct action, in which all of prescribed rules which regulate activities of the executive power in a particular area, and establish its responsibility. Adoption of these laws will restrict the normative framework of the executive power, which is important in terms of preventing the establishment of regulations with a predominance of internal departmental interests;

– strengthening of control and analytical work of the Parliament which is related to the conduct of assessments of the regulatory impact of the state and cost–effectiveness of adopted laws;

– simplification and improvement of the business environment on agriculture, public customs, sanitary and veterinary control, telecommunications, infrastructure, construction, fire safety, medical care, price regulation, land relations and taxation [15];
– active use of the opportunities of the Public Fund for Support of NGOs and other civil society institutions under the Parliament for periodic sociological surveys of opinions of local entrepreneurs, etc.;
– gradual reduction of compulsory rate payments to the State Trust Fund by 0.5–1 percentage point annually and bringing it down to 0%, covering the lost income by increasing tax burden on final consumption;
– focused work on reduction of the tax burden on small businesses (reducing tax rate of payroll);
– development of additional criteria for classifying business entities to small businesses (based on the amount of revenue, the degree of interdependence of small businesses among each other, etc.);
– Introduction of additional criteria for determining the status of companies;
– Based on international experience, we can offer the following criteria:
  - Amount of revenue in the past 12 months. The introduction of such criteria in the group of small businesses will target only on those companies who have a small number of employees and realizes relatively smaller volumes of goods and services,
  - value of fixed assets. Another widely used criterion in different countries for determining small, medium and large business entities;
– conducting tax policies that encourage integration of operating small businesses in our country, introduction of the category of the concept of medium-sized enterprise, i.e. determining the criteria of large, medium and small companies, development of the system of taxes and benefits, serving for consolidation and further development of small enterprises;
– development and adoption of measures to eliminate the difference between cash and non-cash, while maintaining macroeconomic stability, and without adoption of extra rules governing the conditions of use of financial resources of the private sector;
– adoption of measures for the development of a competitive environment in the banking sector and the establishment of non-bank crediting institutes where collateral requirements and other conditions for lending are much easier than in banks;
– abandonment of inefficient preferential credits (to reduce the amount of benefits and put into practice the use of sector privileges), develop the interest rate policy of banks in the new environment;
– promotion of family businesses and home–based work in the processing of agricultural products produced in the country;
– necessity in continuous use of quasi–fiscal instruments (such as tax breaks, preferential conversion, debt relief, “price scissors”, as well as investment allowance, etc.) to ensure payback of enterprises and economic sectors (for example, projects of the Investment Program);
– creation of conditions for expansion of competitive and export–oriented companies (further liberalization of procedures for obtaining and registration of land and building permits, improvement of legislation on companies closing, improvement of foreign trade regulation) (European Commission Key figures on European business — with a special feature on SMEs. (2012). Luxembourg, Publications Of office of the European Union), [14];
– stability, consistency and cost–effectiveness of the legal system;
– further accelerated development of electronic services and inter–agency cooperation between state authorities and local governments;
– formation of “transparency index” system for monitoring activities of public authorities and management, greater involvement of civil society in the process;
implementation will give an extremely one-sided effect, lead to inefficient waste of time and money, create informational chaos and discredits the idea of e-government.), as well as the optimization of the authorities in the provision of interactive services through the system Development Center “electronic government” under the Ministry of Development of Information Technologies and Communications.

In conclusion, we can say that only focused efforts of the Government for further elimination of administrative barriers to do business will be able to change the situation and to help small businesses to take their worthy place in the new market of the Eurasian Economic Community, as well as facilitate the accession of Uzbekistan to the WTO in the long term, that ultimately, will increase the rating in the following studies of WB series Doing business in 2018 and subsequent years.

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