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ISSUES OF SMALL BUSINESS DEVELOPMENT

Abstract: The article analyzes the development of small business and private entrepreneurship in Uzbekistan. Based on the statistical data, diagrams of the dynamics of small business development in the country are presented. At the end of the article a number of recommendations on the further development of small business are proposed.

Key words: small business, private enterprise, private sector, industry, service, share of small business in GDP.

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Introduction

The role of small business and private entrepreneurship in the socio-economic development of the country is significant. The sphere of small business and private entrepreneurship is one of the most important factors in saturating the domestic market with competitive and high-quality products, providing jobs and improving the welfare of the population, and facilitating the formation and strengthening of the class of owners in society.

In the context of implementation of the Strategy of Action on the five priority directions of development of the Republic of Uzbekistan in 2017-2021, small business and private entrepreneurship are important factors for creating national economy, forming middle class ownership, which is the basis of social stability of society, creating competitive environment and achieving sustainable economic growth. In the Republic, special attention is paid to the accelerated development, stimulation and support of small business and private entrepreneurship, which play an increasingly important role in ensuring economic growth, creating new jobs, solving employment problems, increasing the incomes and welfare of the population.

The Strategy of Development of the Republic of Uzbekistan for 2017-2021 focuses on the implementation of comprehensive measures to further improve the business environment for sustainable development of small business and private entrepreneurship. This was also highlighted in the Presidential Decree of September 2, 2017 "On Priority Measures for Liberalization of the Foreign Exchange Policy". As part of this Decree, farms and businesses have been granted the right to freely dispose of their foreign currency, to withdraw cash from their bank accounts, in order to stimulate export activities. Reforming the banking system in 2017 provided many opportunities and benefits for businesses. For example, in 2017 alone, Qishloq Qurilish Bank invested \$ 955 billion in total investment. soums, which is 198.8 billion soums more than last year. It is known that in 2016 the bank will receive 764.2 billion soums. soums to the small business sector. \$ 211 billion will be allocated for opening new small processing enterprises in rural areas and equipping them with high-tech equipment. UZS 147.5 billion for financial support of women entrepreneurs. soums. The bank has also allocated \$ 1131 billion for implementation of investment projects on

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modernization, technical and technological renovation of small enterprises in various sectors of the economy soms [2].

Analysis and discussion results

Certainly, along with the progress made in this area, there is a need for a detailed, in-depth analysis of the problems that hinder work and impede development today, and make clear, strategic decisions on this basis. Taking into account the fact that Uzbekistan has huge untapped potential and opportunities in this sphere, small business and private entrepreneurship in the developed countries of the world occupy a leading position in the gross domestic product. Therefore, in our opinion, one of the most urgent issues is the deep analysis of trends in the development of small business and private entrepreneurship in the conditions of economic modernization and radical improvement of a set of measures to further support the sector.

Thanks to the government's support of small business and private entrepreneurship in the country, it has led to rapid development of the sector. Figure 1 shows that the share of small business and private entrepreneurship, which accounted for 31% of GDP in 2000, was 53.3% by 2017 [3].

As a result of measures taken to create a business environment, all-round support and further stimulation of small business and private entrepreneurship, more than 38,200 small businesses (excluding dehqan and private farms) were created in 2017, or 122, compared to 2016. Increased by 0%. The largest number of small business entities was registered in industry (27%), trade (21%), agriculture, forestry and fishery (13%) and construction (10%).

Also, over the past 17 years, the share of small businesses and microfirms in the total number of enterprises in the country has grown from 13.1% in 2000 to 35.3% in 2017, with a tendency to grow by almost 2.7%.

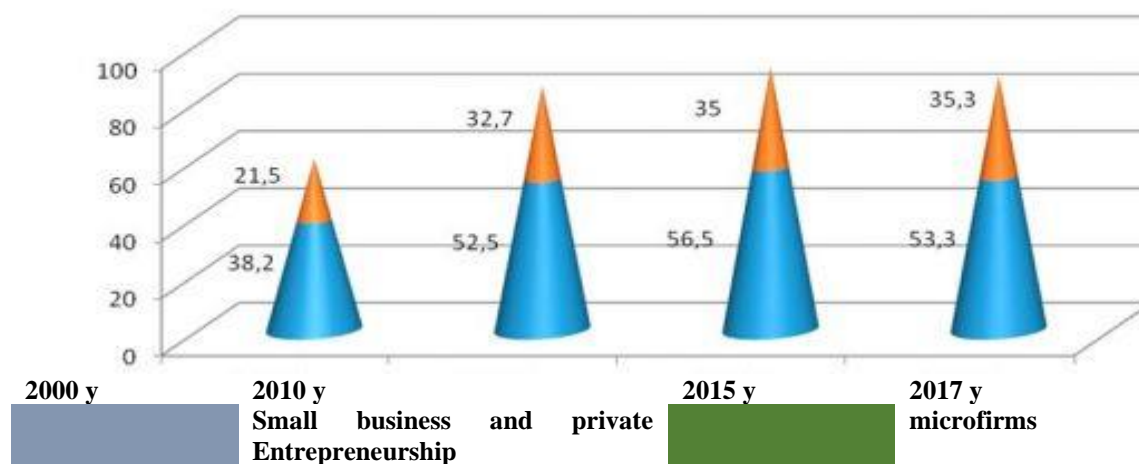


Fig. 1. Trends in Small Business and Private Entrepreneurship [4].

It is noteworthy that the increasing role of small business and private entrepreneurship also contributes to the growth of living standards and income. In particular, the number of employed in small businesses in 2000 was 4.3 million. In 2017, the figure was 10.2 million. people. By 2015, growth increased almost 2.4 times. Certainly, this tendency has contributed to the improvement of the standard of living and well-being of the population.

The share of small business and private entrepreneurship in the sectors of economy is 27.0%, in industry 39.6% (45.3%), in services - 58.4% (61.4%), in construction - 65.1% (66.1%). And 98.3% of employment (78.2%).

There was a tendency for the growth of the total employment of the economy from 2000 to 2017. Accordingly, the number of employed in small businesses and microfirms has also increased,

reaching \$ 0.6 million in 2000. At the same time, by 2017, it was 2.1 million. per person. If we compare the number of employed in small business and private entrepreneurship, the number of people employed in small businesses and microfirms can be seen, that is, the number of employed in small business and private entrepreneurship, the number of employed in small businesses and microfirms has a tendency to increase.

Also, the share of small business and private entrepreneurship in the sectors of the economy has been increasing year by year, mainly in agriculture. In 2005, the share of construction in the economy was 49.4%, and in 2017 it was 65.1%. There was a tendency for the growth of the share of small business and private entrepreneurship in the services sector of the economy. The growth of the share of small business and private entrepreneurship in the service sector was 52.5% in 2005 and 58.4% in 2017.

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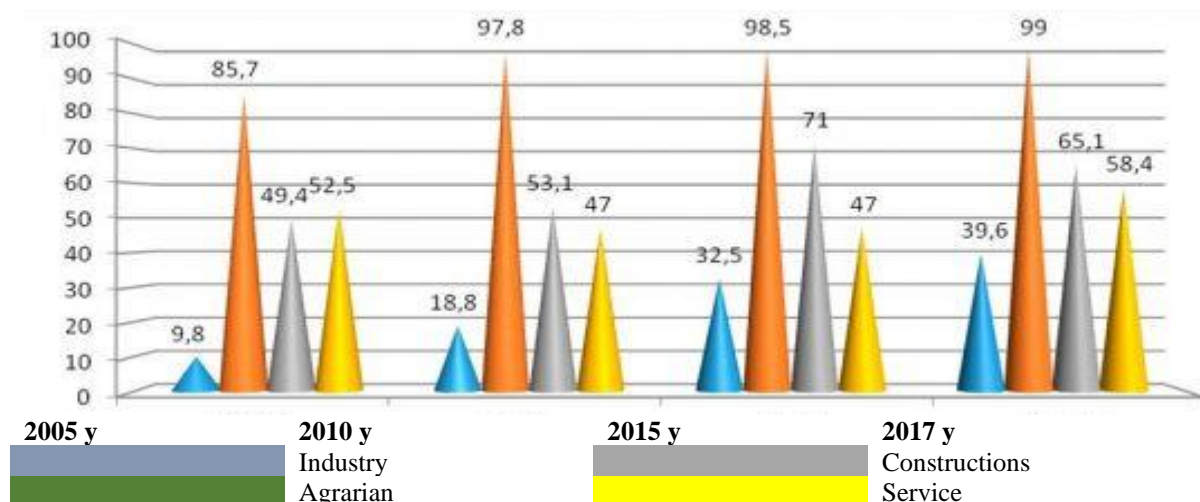


Fig.2. Share of small business and private entrepreneurship in the sectors of economy for 2005-2017 [6].

During the period 2005–2017, the tendency of the growth of small business and private entrepreneurship in the share of export of the country in the total volume of goods and foreign trade turnover was also observed (Fig.2). In 2017, the measures to simplify customs procedures for export-import operations, as well as the elimination of unnecessary licenses and permits by customs authorities, continued in 2017.

Entities were granted the right to export goods, works and services without entering into an export contract on an invoice basis. As of December 1, 2017, the export customs regime will be assessed as overdue receivables after 120 calendar days (previously 60 days) from the date of customs clearance. Goods are subject to customs clearance only once.

Also, the share of small business and private entrepreneurship in the total share of imported goods in the country has been growing since 2000, reaching 50% in 2017 and almost 1.9%. In the overall export potential of our country, the modern global economy of small business and private entrepreneurship offers unlimited opportunities for entrepreneurs and especially small businesses.

It should be noted that small businesses in the United States provide the bulk of GDP, generating more than half of new jobs, mainly 350 to 400 billion dollars a year. Exports of goods for \$ 1 million. Another center of world industry - Germany employs more than 70% of the working population. At the same time, there are a large number (500,000 - 600,000) of small craft businesses, covering more than 90 different activities. Almost a quarter of them are exporters, accounting for 17% of the country's total foreign trade.

The state support of small business and private entrepreneurship in the conditions of modernization of the economy is the creation of material and technical basis, support of the structures, enhancement of

foreign economic activity, social and psychological guarantee, provision of necessary information, increase of foreign economic activity. This is due to many factors. It should be noted that in the foreign countries small business and private entrepreneurship are actively financed mainly by microfinance institutions. At present, about 16 million people attend these facilities. man [9].

According to the experience of developed industrial countries, the development of small business and private entrepreneurship in the economy is directly dependent on the government support policy. Studies show that the main directions of development of the industry by the state are reflected in:

- processes related to the establishment of small business and private entrepreneurship;
- provision of tax incentives on the basis of budget funds to increase the efficiency of private equity;
- the freedom to purchase or rent vacant spaces and to use resources effectively;
- Providing information on the demand for products and services that are in demand, both in the domestic and foreign markets. This information provides an opportunity for those who are planning to do business in a new direction to find out what products and services are needed in the market [10].

Of course, along with the positive results achieved in the activities of small businesses and private entrepreneurship in the country, the level of physical and moral deterioration of production facilities in the privatized enterprises, the high level of investment in trade, public catering, services, production activity. There are also shortcomings, such as ineffective marketing research in the business entities involved d.

Taking into account the above, it is advisable to develop an effective mechanism of temporary transfer

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of vacant buildings, structures, warehouses and trading places to entrepreneurs with industrial and other facilities. The Chamber of Commerce also assists, oversees and protects investment projects of small businesses and private entrepreneurship at all stages (from project idea to its development, bank

expertise, borrowing and repayment), and investment at the regional level. It is advisable to create an information and analytical database in the regions to provide practical assistance in the development of projects.

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